密勒氏評論報

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THE "WAR" BETWEEN JAPAN AND RUSSIA IN MANCHURIA

FOR those who have been following the political situation in Manchuria in recent weeks, there can be no questioning the obvious fact that Japan and Russia are again making active preparations for a renewal of the struggle for supremacy in North China which was given a temporary truce in the Peace of Portsmouth in 1905. The fighting which has taken place between rival Chinese militarists in the North in recent weeks and months has been nothing more or less than war by proxy between Japan and Russia. Japan has been backing Chang Tso-ling and Russia has been backing the Christian militarist, Feng Yu-hsiang. Neither side has as yet come out into the open, if we except the intervention of Japan a few weeks ago to prevent the defeat of Chang Tso-ling by Kuo Sung-lin, the partner of the Christian General. To date the situation from the standpoint of these two generals is about even. Chang, with Japanese help, defeated Kuo, the partner of Feng. Then Feng, with Russian assistance, defeated Li Ching-lin, the partner of Chang. Thus do we have ignorant and avaricious Chinese militarists playing catspaw for the major actors in the drama. The following from a recent issue of *The China Press*, (*Shanghai*), serves to give an idea of what is actually taking place in Manchuria today:

"IF a Supreme Judge with power to enforce his decisions upon mankind, should suddenly appear upon the earth, we wonder how he would go about settling the Manchurian situation so that all interests would be satisfied? Here's a territory, potentially wealthy, but undeveloped, and inhabited by some 22,000,000 Chinese. In area it totals about 364,000 square miles and from the standpoint of rainfall and climate and agricultural possibilities the territory resembles such states of the American Union as Iowa, Nebraska, Minnesota and the Dakotas. The area is about the same as these five American States. There are about three times as many Chinese living in Manchuria as there are Americans living in Iowa, Nebraska, Minnesota, North and South Dakota. The wealth of these five American States is estimated at G.$30,770,000,000, so with this as a basis it serves to give some idea of the potential wealth of Manchuria.

"THEREFORE Manchuria is a prize worth fighting for—and they are fighting even the prize—Russia, Japan and China. Geographically, Manchuria consists of China's three Eastern Provinces of Shengking (Fengtien), Kirin

and Heilungkiang. On the north these provinces border on the Russian territory of Siberia. On the south and east they border on the Pacific Ocean and Korea, the latter being Japan's territory. On the west they border on Mongolia and China proper. The control of Mongolia has also been disputed by China and Russia for many decades, but we are particularly interested now in the status of Manchuria, and we are wondering how an all-powerful Supreme Judge would settle the question satisfactorily for all interests concerned. To go back to first principles, Manchuria belongs to China for there is on record a treaty settling a boundary question between China and Russia which bears the date, 1689. Prior to the conquest of China by the Manchus about 1644, Manchuria was the abode of various tribes of the Tungus race who were sparsely distributed along the courses of the rivers. These people were forest hunters and probably resembled the American Indians and undoubtedly were of a kindred race. The Manchus got their name from Manchuria in which region the tribe is supposed to have originated. Therefore we must assume that Manchuria belonged to China, or that China belonged to Manchuria. Today the population is overwhelmingly Chinese, the foreign population being restricted largely to Japanese and Russians. The Japanese are said to number about 200,000 and the Russians, perhaps 100,000. To enumerate and describe all of the treaties between China and Russia and Japan respecting Manchuria from the date of the first agreement between China and Russia in 1689, would require several columns of small type.

"CHINA, although possessing prior rights, through nominal control and population, has always been the weaker party in these various treaty transactions with Russia on the one hand and Japan on the other. China has always been in the unfortunate position of the nut in the jaws of the nut-cracker, one jaw of the nut-cracker being Russia and the other Japan. There have been periods when Japan and Russia have worked together, settling their differences at China's expense and there have been times when China and Japan worked together against Russia and still other times when China and Russia worked together against Japan. There have been times when Russian influence predominated in Manchuria and other times when Japanese influence predominated in the region. Japan fought Russia over the question of the control of Manchuria in 1904 and 1905 and Russia was defeated. The Peace of Portsmouth, which was brought about by the friendly offices of Theodore Roosevelt in 1905 settled the question temporarily, but Roosevelt said at the time that the peace was temporary only since Russia was bound to come back in the future.

"RUSSIA is not interested in Manchuria from the standpoint of requiring the territory for the expansion of her own population. The Russians have enough territory for their purposes for several centuries to come. Russia is interested in Manchuria because it offers a way of getting out to the sea,—to warm water—a primary instinct of mankind. There are about 135,000,000 human beings in Russia. They occupy a vast territory comprising the top of the European and Asiatic continents, a territory of unbounded fertility and mineral resources. But the Russians have always been handicapped because they are shut off from warm-water ports. The Russians have always had difficulty in competing with other nations because their ports are frozen up for a considerable period of the year. The Russians can't market their products all the year round as Japanese, Americans, Chinese, British, Germans, French and most other peoples can do. The people who live in the interior parts of the United States have this same feeling in spite of numerous railroads running to the seaports in three directions. This is shown in the constant urge for a deep waterway down the Mississippi to the south and through the Great Lakes and St. Lawrence to the East. Unless a people can get out uninterruptedly to a seacoast where there is warm water the year round they feel themselves handicapped and circumscribed in the struggle for existence. It's their bread and butter! That's Russia's case in simple language and it explains the propelling force behind Russian diplomacy back through the centuries whether the country has been governed by a Czar or a Soviet Committee.

"NOW we turn to Japan. Here we find a small compact little country occupying the islands along the eastern coast of Asia. Here's a nation occupying a territory of 148,000 square miles which is about half the area of Manchuria. In this territory is a population of about 58,000,000 people. Japan is not self-sufficient, that is, from the standpoint of a first-class world Power, the position in the general scheme of things which she aspires to occupy. The Japanese Islands are lacking in natural resources and if they were shut off from communication with the rest of the world, the Japanese people, or at least a great many millions of them probably would strave. Their factories would shut down and their ships would rust at the docks. Since the Japanese islands are poor in natural resources and the Japanese people are ambitious and energetic, they have spread out over the sea in search of a livlihood and a place in the Sun—and they have found it! After defeating Russia they acquired control of vast interests in Manchuria which they added to their control of Korea which country was annexed in 1910. Previously the Japanese had rounded out their territory by taking Formosa away from China and so on always a constant urge to spread out and broaden the opportunities for their people and largely at the expense of other Oriental peoples not so developed or progressive. As stated previously some 200,000 Japanese are established in Manchuria, but Japanese interests in Manchuria are vastly greater than the comparatively small population would indicate. They own a railroad with a network of projected feeder lines. They own coal and iron mines, iron foundries, cotton mills, banks and commercial houses and steamship lines operating along the coast and to other countries. Manchuria has become so important to Japan that it is considered vital to the future of the Empire. Japan would fight for her interests in Manchuria, straining the very resources of her people to maintain the foothold on the continent of Asia.

"THUS is the statement of the case of Manchuria. Russia does not need the territory for purposes of territorial expansion, but she does need a pathway through Manchuria in order to get her products out to an ice-free port. Before the Russo-Japanese war Russia was all powerful in Manchuria and had she been victorious in the war with Japan, probably would have annexed all of the

territory, including Korea, to her Siberian possessions. But Japan prevented this because she considered control of the Asiatic coast by a strong powerful nation such as Russia as a "dagger pressed against her heart." Following her success in defeating Russia, Japan annexed Korea herself and since that time has consolidated her position in Manchuria to such an extent that she considers her position there a permanent one and vital to the future of the Empire. And China, the rightful and legal owner of the land seemingly is impotent when it comes to asserting her rights. Chang Tso-ling, the most powerful Chinese official in Manchuria, who got his start in life as a successful bandit, either plays an independent game or tries to dominate the whole country. He accepts financial and military assistance from the Japanese when he is opposed by another ambitious militarist who is suspected of getting help from the Russians. Roosevelt's forecast that Russia would come-back and again fight for an outlet to the sea through Chinese territory, has become a fact. Russia is weak financially owing to her participation in the world war and serious domestic troubles, but despite this she has been able to make herself felt in Asia. Her diplomats under the Soviet system are just as potent as they were in the days of the Czar, because the urge is the same. Unless the Manchurian problem can be settled peacefully, and it looks hopeless today, Russia will fight Japan again over these old, old questions.

"SO we ask again, "How would an all-powerful Supreme Judge settle this question satisfactorily for all interests concerned?" The Washington Conference touched lightly on these vital questions, fearing to stir up the sleeping animals. The Conference passed an inocuous resolution about preserving the *status quo* in respect to the Chinese-Eastern Railway, but went no further. Russia was not present at the Conference, but the so-called Far Eastern Republic of Siberia had representatives in Washington who tried to gain admission to the Conference but were turned down. The Powers probably would have saved themselves much trouble today had they admitted these Siberian delegates. The Far Eastern Republic desired recognition and probably would have joined with the other Powers in guaranteeing the integrity of China at that time. But Secretary Hughes, fearing the displeasure of Japan and France, refused them recognition and admission to the Conference. The Far Eastern Republic soon thereafter was taken over by Soviet Russia. It might have been taken over anyway, but in any case Russia might have felt herself bound to respect engagement entered into at the Washington Conference. The Powers, or more particularly, the United States may yet be forced to recognize Russia as a means of settling the Chinese mess, but that's another story. The Nine-Power Treaty dealing with "Principles and Policies Concerning China," contains the formula for a successful solution of the Manchurian problem. In this Treaty the Powers agree: (1) To respect the sovereignty, the independence and the territorial and administrative integrity of China; (2) To provide the fullest and most unembarassed opportunity to China to develop and maintain for herself an effective and stable government: (3) To use their influence for the purpose of effectually establishing and maintining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China; (4) To refain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly states, and from countenancing action inimical to the security of such states. Then Article II of the same treaty is still more to the point. It says, "The Contracting Powers agree not to enter into any treaty, agreement, arrangement, or understanding, either with one another, or, individually or collectively, with any Power or Powers, which would infringe or impair the principles in the foregoing Article I.

"WHEN one reads over the first two articles of this Treaty, quoted in the preceding paragraph, it is easy to see how they might be applied to solve the Manchurian Question. They were written by Mr. Elihu Root and undoubtedly were written for this very purpose. These clauses contain the happy formula if the Powers but had sufficient courage to apply them to the question at issue. If they are not applied and the situation is permitted to drift, it doesn't require much imagination to realize that another world war is now in the making in the Manchurian question. If China was strong enough, or could be made strong enough to control the situation in her own territory and prevent her military adventurers from selling the country to foreigners, in order to obtain resources with which to fight each other, the Manchurian Question would settle itself. And it would settle itself because a strong and independent China could give everybody a square deal. Under these conditions Russia would get her outlet to the sea and China would prosper because of the trade which this would bring. Japan, relieved of the fear of Russian aggression would also be free to develop her trade with the mainland and other nations would then have sufficient confidence to invest capital in the Country to the end that the whole world would prosper.

"WARS do not start with the firing of rifles and cannons. Wars start when there is a conflict of economic or other interests. When the opposing sides order the armies to march and start the factories producing powder and bullets, this simply means that the interests or nations have exhausted all other means of settling their differences. Therefore it is perfectly proper to assume that Japan and Russia are at war in Manchuria. It is true that no Japanese soldiers have as yet fired any shots at Russian soldiers and that no Russian soldiers have fired any shots at the Japanese. But Russia and Japan are fighting in Manchuria nevertheless and in view of this situation it behooves thoughtful persons to take stock of the situation and consider whether anything can be done at this late date to prevent the firing of rifles and cannons in a conflict which might, before it ended, drag in the whole world and turn North China into a vast battle ground.

"FEW persons now question the fact that the recent war between the rival Chinese militarists, Feng Yu-hsiang and Chang Tso-ling, was a fight between Russia and Japan by proxy. Russia backed Feng and Japan backed Chang. Chang was almost defeated, but rallied at the last minute and defeated Feng's partner, Kuo Sung-lin. Then a little later, Feng defeated Chang's partner, Li Ching-lin. This of course didn't end the struggle by any means for both Feng and Chang—and their backers—are getting ready for another trial at arms. What the final result of this jockeying is to be no

one can say at the present: likewise no one can say when the real principals will take up the war in earnest and brush the Chinese smoke-screen away.

"IT is to be hoped that American diplomats in this part of the world realize the seriousness of the situation and are reporting it back to Washington. As one of the speakers at the conference held at the University of Chicago last summer put it: "While such possibilities are abroad in the world, it were well for us not to dwell too happily on silks and cherry blossoms, or too disdainfully on bolsheviks and soviets, or too ethereally on peace and disarmament, but to realize that in the Far East there is going on at this moment a desperate game of world-politics, no less fraught with danger to America and American interests than the game which culminated at Sarajevo in June of 1914."

"THE speaker who made the foregoing statement was Mr. H. K. Norton, an American business man and publicist who has written a great deal in recent years regarding the Japanese-Russian situation among whose productions, the book "The Far Eastern Republic of Siberia," is one of the most important. In answer to the question of America's part in another Russo-Japanese war, Mr. Norton, in the same address referred to above, said:

'What America's part in such a war would be, no man can tell. Neutrality would be the obvious course, and it is difficult to imagine this country sending its sons to fight at the side of either soviet Russia or imperial Japan—or it would be difficult if Roosevelt had not threatened to go to the aid of Japan in 1904, and if American troops had not already served under Japanese generals in Siberia in 1919. America's interests as a great trading nation and America's prestige as a great power would be seriously endangered in a renewal of the struggle between Japan and Russia. We could hardly stand by and hope to escape scot free, and a thousand things might happen to drag us into war.'

"THIS is a pretty good summary of the situation and hence we hope that American diplomats in this part of the world are keeping Washington advised regarding what is happening in Manchuria. A few days ago Chang Tso-ling's troops seized the Chinese-Eastern Railway and arrested the Soviet manager, M. Ivanoff. This is a direct violation of the agreement entered into between China and Russia a few months ago. Mr. Karakhan, the Soviet Ambassador in Peking, has protested in no uncertain terms and official newspapers in Moscow have been referring to the action in strong language, —language which is designed to stir up the Russian people to the situation adversely affecting their interests in the Far East. The Russians know, of course, that Chang is not taking this action of his own accord. It hasn't been many months since Chang was intimidated by Soviet threats into agreeing to Russian control of the Chinese-Eastern Railway. At that time Chang was trying to control all of North China and he couldn't afford to have the Soviets interfere. Therefore he agreed to Soviet control of the operation of of the line. Now, after having been driven out of China proper, Chang suddenly becomes courageous and takes over the railroad. And at the same time comes reports that the Christian General is emerging from his well-advertised retirement and is returning for the purpose of "saving" the people from another Fengtien invasion.

"THE whole situation is badly muddled and there's lots of propaganda, but the outstanding fact is that Russia and Japan are rapidly getting into position for another war and although neither country is in any condition for war, anything may happen. Anything may happen, because the present situation of China makes the conditions favorable. To quote again from Mr. Norton: "For the directing minds of both Russia and Japan the northern half, at least, of the Chinese territory is a legitimate subject of partition. The vast fertile plains of Manchuria, the grazing lands and mineral wealth of Mongolia, and the teeming cities and ports of the northern provinces of China proper are the stakes of a vast game of diplomacy, intrigue, economic exploitation and war. The present state of affairs in China itself tends strongly to encourage this cynical view, and offers an excellent opportunity for the imperialistic players to excercise all their skill in the game they are playing. The Chinese Republic has never been anything but a name. It is merely a euphenism for a succession of military adventurers whose great aim in life is the enhancement of the prestige of their ancestors as measured by the wealth they themselves are able to accumulate. Their chief concern has been to get their hands upon the sources of revenue which the control of Peking gives to them. For them, too, China is but a vast field for exploitation. With a few such leaders in power in Peking and with many others of similar character striving to supplant them, there is a standing invitation to aggressive and unscrupulous diplomacy to use wholesale bribery and curruption to secure its ends. That the hands of both Russia and Japan are at work in the disorganization of the Chinese Republic is not to be denied if we would look at the realities of the situation. The very vigor and frequency of denials would do much to convince the sophisticated observer if there were not ample other evidence avilable."

Chinese Salt Revenue Shows Increase Of $3,060,000

Net salt revenue, after meeting administrative expenses credited to the Group Banks during the year 1925, amounted to $73,634,000, showing an increase of $3,090,000 as compared with 1924, but a decrease of $5,911,000 as compared with 1923.

The increase over 1924 was due to abnormal collections in Kiangsu and Chihli at the beginning of 1925 as a consequence of the dislocation of the local salt trade which occurred during the autumn and winter months of 1924 owing to civil wars and military interference with the salt administration. But for the recurrence of civil wars last November a substantial increase in the net salt revenue of 1925 as compared with 1924 would have been obtained.

All obligations secured on salt revenue, amounting to $20,861,000 have been fully met and surplus funds released to the Chinese government during 1925 amounted to $65,965,000 (including $13,384,000 received from the Maritime Customs on account of the Refund Reorganization Loan payments for the year). Of this amount some $33,030,000 represents sums either retained locally or appropriated by provincial authorities or military commanders. These retentions which are credited to the Group Banks by special arrangements, do not include the full amount of revenue retained by Kuangtung local authorities, the Canton District Inspectorate having been closed in May of 1923 owing to illegal interference on the part of the local authorities and not having reopened, and owing to the Swatow Assistant District Inspectorate having been closed in December of 1925 for similar interference.

In addition to retentions made in 1924 in the provinces of Kuangtung, Szechuan, Yunnan, Hunan, Kiangsi, the three Manchurian provinces, Kiangsu, Anhui and Chekiang part of the revenue of the provinces of Fukien, Kiangsu, Shantung, Hupeh and Shansi was also retained during the last month of 1925 owing to local military action.

The reserve of the Group Bank was maintained during the year at $7,000,000.

Trouble Behind the Trouble in China

BY HENRY KITTREDGE NORTON

Reprinted from the January Asia Magazine

MORE frequently than not, when trouble has been afoot within the confines of China, it has been fruitful to look outside her borders for the moving cause. For the past thirty years at least, it has been possible to put a finger on the sore spot by pointing to the efforts of Russia and the counter-efforts of Japan in the northern marches of Manchuria and Mongolia. In the present crisis, without underestimating the significance of an incipient nationalism in China, an approaching industrial revolution, an ebullient student movement or a warranted resentment against a commercial, religious and cultural imperialism, we shall find much food for thought by foraging in the same northern region.

The Russo-Japanese War did not settle the issues between Japan and Russia. It was merely the first serious setback that Russia had received in her persistent drive toward the warm waters of the East. Without a battle, almost without the use of an army, she had taken over the vast stretch of territory north of the Amur and east of the Ussuri down to the borders of Korea. Through the unscrupulous intrigue of her diplomats she had pressed on into Manchuria until, at the beginning of the years 1904, she found herself in complete control of that territory, with her leased railroads crossing it from Manchouli to Vladivostok and from Harbin to Port Arthur, an ice-free port on the Yellow Sea. At last the bear, Kipling's "Adam-zad—the Bear that walks like a Man," gleefully laved his paws in the warm waters.

But Japan had not forgotten that it was Russia who had prevented her from occupying this same Liaotung Peninsula, at the tip of which Port Arthur was building; nor were the Japanese statesmen unmindful of the threat to the future greatness of Japan that was embodied in this arrival of the bear on the Asian coasts. The islanders watched closely the maneuvers by which Russia extended the period of her sojourn in Manchuria. They say with misgiving that China first gave her permission to stay a while and that Russia was then determined to remain indefinitely even over China's protest. When the paws of the bear began to show in Korea, Japan added her protest to that of China. When this protest was ignored by St. Petersburg, Japan struck and struck hard. When she had finished, the Russian vision of a Pacific empire had faded into a more distant future. Not only was Russia thrown out of all southern Manchuria, but even her lease on the Liaotung Peninsula and the railway leading to it had been taken from her by Japan.

Russia not Through Yet

Roosevelt described the Peace of Portsmouth as but a truce and prophesied that Russia would come back. Far from settling the points of difference between Russia and Japan, the war had merely served to make clear respective ambitions for Asian hegemony. Russia became more firmly resolved than ever to extend her dominions to the shores of the Yellow Sea; for free and constant communication with tide-water on the east was economically vital to the ten million Russians already in Siberia and the millions more who were destined to settle in that vast expanse. Japan became as firmly resolved that this ponderous mass, with its military and economic threat to her supremacy, should not reach the shores adject to her islands; control of the coast-line of Asia and domination of the trade that went through its ports were as necessary for her milions, crowded into their tight islands, as access to the sea was for the Russians.

Thus were the issues drawn, and along these lines the diplomats of Tokyo and St. Petersburg made their moves on the international chessboard. American plans for railway development in Manchuria threw the opponents into each other's arms in 1907 by showing them the possibility that both might lose their high stakes. Russia recoguized southern Manchuria as a Japanese sphere of influence and contented herself for the time being with a similar recognition of her own interests in northern Manchuria. They then presented a united front in opposition to Mr. Harriman's scheme for a world-girdling railway that should pass through their part of the world. A still closer agreement followed the proposal made by Secretary of State Knox in 1909 to internationalize the railways of Manchuria. Thus the two imperialist bureaucracies agreed to divide the spoils. But both of them knew that any such arrangement was but temporary and that, when they could rid themselves of this outside interference, the final duel must be fought out between themselves.

Meantime Russia was not idle in other directions. If by chance her route to the sea through Manchuria was cut off, there was still another way in which she could attain her aim. The route from Lake Baikal through Urga and Kalgan to the sea at Tientsin, although across a desert country, would be shorter than that through Manchuria, and strategically far more significant, since it would bring Peking itself within the Russian sphere. Incited by the Russian intriguers, Mongolia began to seethe. The Mongols had submitted to the Manchu dynasty, the last rulers of the Chinese Empire but they had never considered themselves a part of China and had always enjoyed a large measure of independence. They were angered therefore at the increased Chinese activity among them in the years just preceeding the Revolution. More Chinese troops, more Chinese officials and more Chinese settlers were a threat to the supremacy of the Mongol princes. They turned to Russia as a possible supporter against this Chinese encroachment, and, when the Revolution paralyzed the arm of the Manchus in 1911, the Russians promptly recognized Mongol autonomy and began negotiations to secure their interests in Mongolian territory. These negotiations matured in 1914, and St. Petersburg secured the right to a deciding vote in Mongolian railway construction.

Japan Seizes Her Opportunity

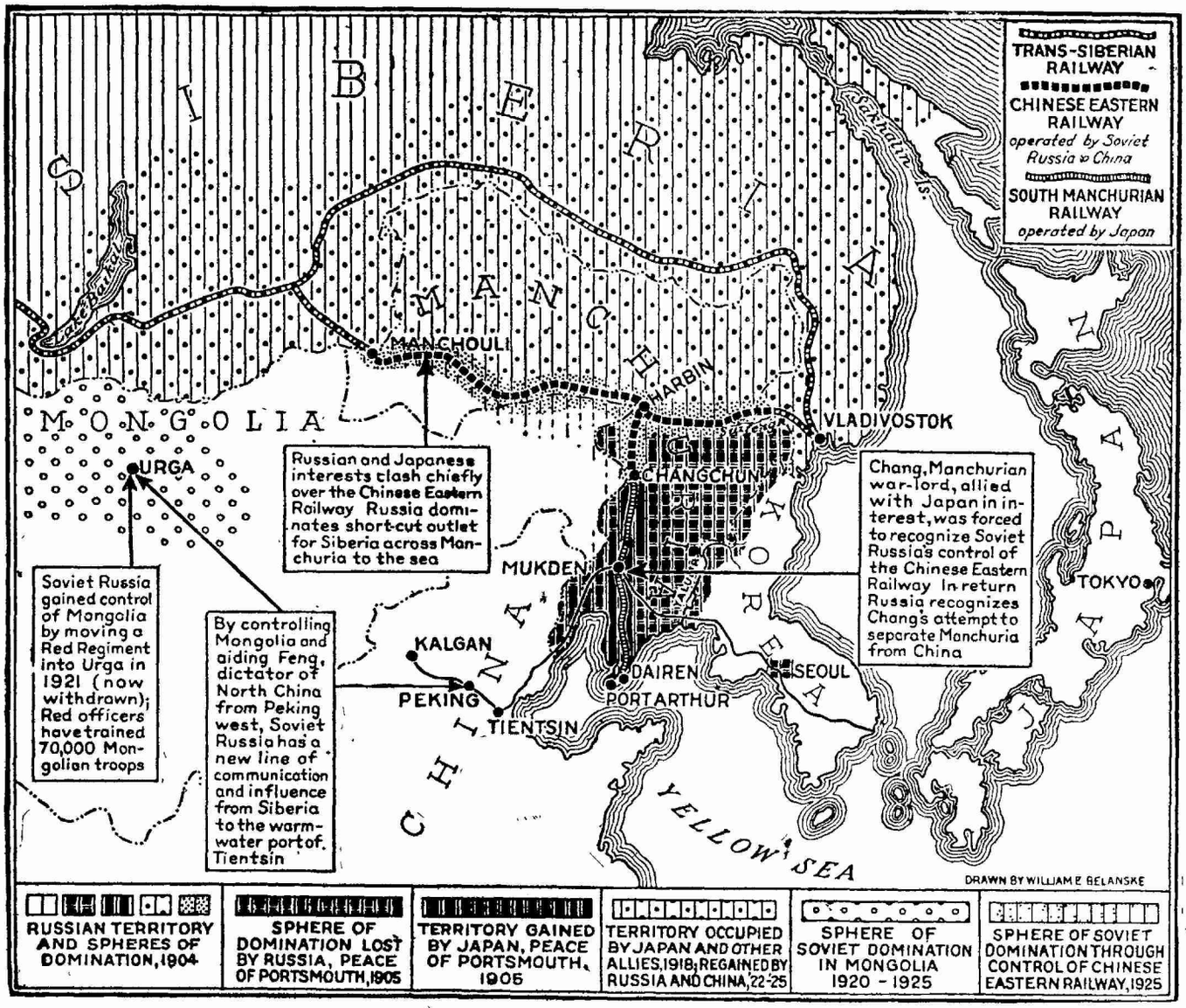
But the World War was already upon Russia, and the watchful statesmen of Japan, having consolidated their gains in southern Manchuria, were ready for another move forward. By means of the Twenty-one Demands in 1915 they attempted to extend their saws over all Manchuria, Eastern Inner Mongolia, Shantung and Fukien and to enforce a large measure of control in Peking itself. Closely they watched the fortunes of Russia in the European war and when, in 1917, they saw Russia deeply involved, they took advantage of the situation to require Russian approval of the Japanese advances so far made and to force Russia to cede to Japan that section of the Chinese Eastern Railway between Changchun, its junction with the South Manchurian Railway, and the Sungari River, nearly half of the distance to Harbin.

Then came the Russian Revolution. Japan saw in the disorganization that followed the Bolshevist upheaval a Heavensent opportunity to push advance lines far to the west. In April of 1918 Nikolayevsk, at the mouth of the Amur River, was seized and marines were landed at Vladivostok, Russia's great Pacific port. The American invitation to take part in a joint intervention in August was the signal for the great thrust. Under cover of an agreement that Japan and the United States should each send in seven thousand troops and the other Powers concerned a nominal force, Japan threw an army of more than seventy thousand men into Siberia and, with hired renagade Russians, took control of the country as far west as Lake Baikal. In this general advance Japan tried repeatedly to seize the Chinese Eastern Railway, but the other Allies were distrustful of her motives and prevented any such move by establishing an Inter-Allied Railway Committee, which placed American engineer officers in all strategic positions.

Meantime the Chinese has reestablished their authority in Mongolia, so that by the summer of 1920 Russian influence in eastern Asia was at its lowest ebb since 1846. The Soviet government was not recognized in Peking or elsewhere; the Chinese has ousted Russian influence from Mongolia; and Japan has spread herself over all of Manchuria and all eastern Siberia. "Adam-zad" was driven back, for the time being, into his lair.

Then the tide turned. The mighty bear, freeing himself from tormentors on the West and South, turned eastward again. The Allied troops had all been withdrawn in the spring of 1920. The government of Admiral Kolchak, which had been dependent upon foreign support, had been crushed and its leader shot. Russian Partisan bands drove the Japanese and their Cossack supporters back across Transbaikal and Amur provinces. By winter they had been driven out of all Russian territory except the neighborhood of Vladivostok, the mouth of the Amur and Sakhalin. The Soviet government did not take over this region; the Far Eastern Republic was organized and administered it temporarily.

Meantime reactionary forces under Baron Ungern von Sternberg, a Cossack leader, had succeeded in driving the Chinese out of the Mongolian capital and establishing there a base of operations against Russian territory. A raid that they directed in the summer of 1921 along both banks of the Selenga River was repulsed by troops from Russia and the


TRANS-SIBERIAN RAILWAY
CHINESE EASTERN RAILWAY
operated by Soviet Russia & China
SOUTH MANCHURIAN RAILWAY
operated by Japan
SIBERIA
MANCHURIA
MONGOLIA
CHINA
KOREA
JAPAN
Lake Baikal
MANCHOULI
HARBIN
VLADIVOSTOK
CHANGCHUN
MUKDEN
URGA
KALGAN
PEKING
TIENTSIN
DAIREN
PORT ARTHUR
SEOUL
TOKYO
YELLOW SEA
Sakhalin I.
Russian and Japanese interests clash chiefly over the Chinese Eastern Railway. Russia dominates short-cut outlet for Siberia across Manchuria to the sea
Chang, Manchurian war-lord, allied with Japan in interest, was forced to recognize Soviet Russia's control of the Chinese Eastern Railway. In return Russia recognizes Chang's attempt to separate Manchuria from China
Soviet Russia gained control of Mongolia by moving a Red Regiment into Urga in 1921 (now withdrawn); Red officers have trained 70,000 Mongolian troops
By controlling Mongolia and aiding Feng, dictator of North China from Peking west, Soviet Russia has a new line of communication and influence from Siberia to the warm-water port of Tientsin
DRAWN BY WILLIAM E. BELANSKE
RUSSIAN TERRITORY AND SPHERES OF DOMINATION, 1904
SPHERE OF DOMINATION LOST BY RUSSIA, PEACE OF PORTSMOUTH, 1905
TERRITORY GAINED BY JAPAN, PEACE OF PORTSMOUTH, 1905
TERRITORY OCCUPIED BY JAPAN AND OTHER ALLIES, 1918; REGAINED BY RUSSIA AND CHINA, 22-25
SPHERE OF SOVIET DOMINATION IN MONGOLIA 1920 - 1925
SPHERE OF SOVIET DOMINATION THROUGH CONTROL OF CHINESE EASTERN RAILWAY, 1925

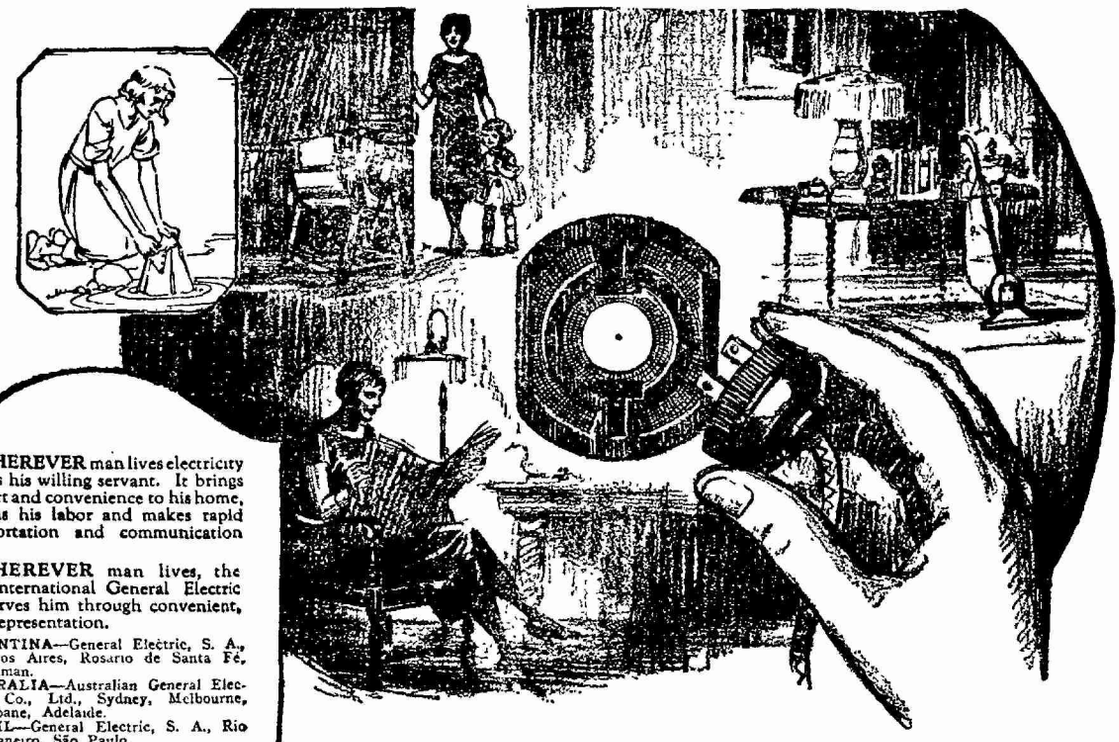
This map shows why the Russo-Japanese War and the Peace of Portsmouth, in 1905, did not settle the conflict of interests between Russia and Japan on the Asiatic mainland. Soviet Russia requires, no less than did the Russian Empire, a short route through Siberia to sea at Vladivostok—or even to some all-year-round ice-free port farther south on the Yellow Sea. Japan is equally insistent on control in South Manchuria, lest, by reason of China's weak hold there, some other Power may thrust at Japanese security. The map shows the battle, economic and military, that has crisscrossed this region since 1905. Japan attained to most prestige in 1918, when, with the other Allies, it occupied Siberia westward to Lake Baikal. Soviet Russia has now regained everything that the Russian Empire held after the Russo-Japanese War—with added power. Thus Japan in South Manchuria now finds itself between the jaws of potential Russian pincers—on the north, Russian domination of the Chinese Eastern Railway in Manchuria and to the west, Russian influence in Mongolia and in China, through the Chinese "Christain General" Feng. Japan is building its economic and military defence accordingly.

Far Eastern Republic. These troops pursued the fleeing reactionaries into Mongolia, capturing and dispersing them, and established themselves in Urga.

Having made this gain by force of arms, Russia turned to diplomacy. Her progress henceforth was slower but no less steady. The Chinese capital was besieged by Russian diplomats seeking recognition for the Soviet government. The first move was a dramatic renunciation of claims inherited from the czarist regime. Moscow offered to deal with Peking upon a basis of complete equality. Territory seized under the czars was to be returned; the Chinese Eastern Railway was to be delivered to China without compensation; the Boxer indemnity payments were to be renounced; extraterritoriality for Russians was to be canceled; and all treaties unfair to China made by Imperial Russia with Japan or other Powers were to be annulled.

Here was fair talk indeed. And it fell upon ready ears. China had but recently emerged from an experience with the western Powers and Japan that was not calculated to increase her love for them or her trust in their purposes. She had entered the war against Germany at the urgent solicitation of the United States and with the idea that participation would give her an equal voice with the other Allies at the Paris Peace Conference and assure her recovery of Shantung. Instead, she had seen the German rights in Shantung turned over to Japan and her protests impatiently brushed aside. Not only did China secure no advantage from the treaty of peace, but her erstwhile allies showed no disposition whatever to release her from the leading-strings in which they had held her for three-quarters of a century. Leased territories, indemnity payments, extraterritoriality, legation guards, post-offices and tariff rates, all were to remain as they were. China was in bitter mood. And now came Russia offering to relinquish all these privileges and to treat China as an equal. Small wonder that the Chinese people listened with eager ears to the Russian proposals.

But however eager may have been the popular response to such an approach, Chinese officialdom was wary. Russian friendship for China was traditionally expensive. Russian assistance in preventing Japan from taking the Liaotung Peninsula had well-nigh cost China the whole of Manchuria. Russian affection was usually followed by a heavy bill for expenses. It would be as well, before accepting Russia's seemingly generous offer, to make sure what Russia would expect in return this time. Besides, was it necessary to pay anything to secure these proffered advantages? Might it not set a bad precedent for dealing with the other nations? Was not China entitled to all of these things as a matter of right?



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Thus thinking, Chinese officialdom fell back upon its old tactics of procrastination. Recognition of the Soviet government was withheld and one by one the proffered gifts of Russia were taken over as of right. Territorial concessions were abolished; the Boxer indemnity was terminated; extraterritoriality for Russians was canceled. All this without compensation of any kind to the Union of Soviet Socialist Republics.

While Soviet diplomacy was thus making little headway at Peking, another influence had been furthering Russian ends. American sentiment did not favor the Bolshevist regime, which it was convinced was but a passing phase of the Revolution and would some day be superseded by some other and different Russia. For this nebulous Russia that was to come the United States constituted itself in some manner a trustee; for this Russia it turned the strength of its diplomacy against the imperialism of Japan on the Asian mainland. The Washington Conference was called. The demand of the Russians for participation was ignored, but they could find little to complain of in the results. Their interests were amply safeguarded and they reaped the benefits. Within a year they were back at the mouth of the Amur, back in Vladivostok, and the territory of the Far Eastern Republic was wholly absorbed by Soviet Russia. Not a foot of Russian soil remained in Japanese hands except the northern half of Sakhalin.

The C. E. R. Treaty With China

One thing China in the reassertion of her rights had dared not do. Even the Powers at the Washington Conference had preferred not to tackle it. That was to interfere with the status of the Chinese Eastern Railway. To tamper with that was to awaken old animosities and latent ambitions which it was the hope of the Conference to lay for all time. But Russia—even Soviet Russia—never for a moment lost sight of it nor allowed it to be forgotten. She had long since defined more clearly what she had meant by saying that the railway was to be delivered to China without compensation. She did not mean that "Russia's vital interest in this line, as an integral portion of the Trans-Siberian Railway," was to be disregarded. Persistently she pressed for an agreement with China on this matter. At last came a Chinese Foreign Minister, V. K. Wellington Koo, who could be persuaded to see things as she did. On May 31, 1924, China and Russia entered once more into treaty relations. Russia had flattered Chinese vanity and furthered her own influence by despatching to Peking as her representative the first ambassador, L. M. Karakhan, sent by any of the western Powers, all the others being represented by envoys holding the lower rank of minister. In the treaty signed by this ambassador, China recognized the Soviet government as the government of Russia and Russia confirmed the renunciation of all the privileges which China had taken from her. But the turning-point of the whole treaty was the Chinese Eastern Railway. Here Russia had her way. The anti-Soviet control that had persisted since pre-Revolutionary days was to give way to a joint Sino-Soviet control. Five Chinese and five Russians were to constitute the governing board, but in the actual management of the road Russian preponderance was secured by a provision that the manager and one of the two assistant managers should be Russians.

Apparently Russia was making excellent progress. But this valuable agreement was made with the Peking authorities, and the Chinese Eastern lies across Manchuria, where Chang Tso-lin, then as now at odds with Peking, recognized the authority of the Central Government only when its orders squared with his own desires, Chang's close association with the Japanese is a matter of common knowledge. He had no intention of turning the railroad over to the Russians against his own or the Japanese interest. He ignored the treaty and all the efforts of Russian and Peking delegates to secure its enforcement.

Russia soon had her chance, however. In August of 1924 Chang and Peking came to open warfare. For public purposes the Soviet officials warned the foreign Powers not to make any attempt to take advantage of the disturbance in China as an excuse for further aggression. Parades were organized in Moscow, and the Russian demands for "Hands off China!" were widely advertised in the East. Though similar publicity was not given to the threatening presence of Red troops in Chang's rear, the Manchurian dictator was fully aware of them and realized their significance. He must either sacrifice the railway or risk complete overthrow. With an acumen which is neither Chinese nor subtle, he chose the lesser evil; in September an agreement was announced between Moscow and Chang Tso-lin, as the ruler of the "Autonomous Three Eastern Provinces," whereby the latter consented to the arrangement already made by Peking for joint control of the Chinese Eastern.

Thus did Russia, to its immense economic and military advantage, recover its extensive control of the great railway artery that connects its vast interior domain with the port of Vladivostok and holds the possibility of connecting it with some port still farther to the South. Well might Ambassador Karakhan say, as he did on October 5, "The restoration of the Soviet Union's title to the Chinese Eastern Railway opens up broad vistas for economic and political collaboration with China. At present the Soviet Union is gaining a firm foothold in the Far East by occupying one of the most important positions of which its enemies were trying to deprive it."

Russia's course of action with regard to this Chinese Eastern affair is at last making it plain, to all who wish to see, that the essence of Soviet policy in the Far East is no other in its ultimate aims than the old imperial policy. The instruments are different, the technique is altered, but the goal remains the same. Each policy is but the natural expression of the mighty economic impulse of the Russian mass toward free access to the open sea. The form of government begins to appear as incidental. Back of whatever government exists for the moment there is the same old Russia, forever encroaching on its neighbors, slowly breaking down all barriers erected against its outward pressure. Soviet policy appears no longer as solely a manifestation of Bolshevist propaganda; it appears in its deeper significance as the expression of Russian national demands. In their Far Eastern policy, if nowhere else, the Soviet authorities have the approval, albeit grudgingly given, of the exiled groups of Russian politicians. No further upheaval in Russia is going to bring into power a government that will have any less aggressive policy in the Far East. Whether the cap he wears be that of Czarist or Bolshevik, Cadet or Menshevik, the Russian bear is in eastern Asia, determined to bathe his paws once more in the salubrious waters of the Yellow Sea.

The "Three-way" System of Russia

But the Russians make every effort to disguise their ultimate purpose. The diplomats of Moscow, exhibiting a skill that frequently threatens the prestige of the "highly trained men" who shape the policies of the other Powers, have evolved a threefold line of attack in Asia. First, Russia concedes many things ostensibly and a few really to give substance to profuse expressions of deep regard for the "downtrodden people" of whatever country is concerned. Second, it gives substantial assistance to any movement in that country to denounce its agreements with other countries and makes much pother of the imperialism, the militarism, the capitalism of those countries. Thus is friendship for Russia invited and hostility to other countries fostered. Behind the cover of this favorable situation, Russia takes the third step, that of securing its own objects. There is so much noisy emphasis on the first two steps and the third is so well concealed that Russia has met with considerable success in forcing the hands of the other Powers and in compelling them to yield important points.

All of this has been most strikingly exemplified in China. Effusive protestations of love for China, love of the Chinese workers, love of anything but land, railways and seaports, are showered upon the world. It is to this amorous disposition that Moscow ascribes the upheaval in China. Denials of other propaganda issue rhythmically from the various Russian headquarters. "It is quite natural," says Ambassador Karakhan, "that great significance should be attached to the question of the Soviet Union's influence upon the national revolutionary movement in China. However, this influence is the outcome not, as is said so frequently but without foundation, of Soviet propaganda, but simply of the far more effective and momentous fact—the Soviet policy of justice in both word and deed, which the Soviet Union has put into practice through the Soviet-Chinese treaty and in all its actions with regard to China."

The Ambassador will expect many to differ with his assertion about Soviet propaganda. The Bolshevist tendencies of Canton are widely known, and *Izvestia* hails with joy the adhesion of the "Congress of Chinese Peasants" in Canton, alleged to be two hundred thousand strong. The placards that members of this congress have distributed throughout the region loudly proclaim to the world the hand of Moscow: "Peasants, organize under the banner of the International Soviet!

Arm yourselves! Form village committees of self-defense!

Hail to the union of workingmen and peasants, as leading to the emancipation of China!

Enough of exploiting the peasants!

Create peasant cooperatives!

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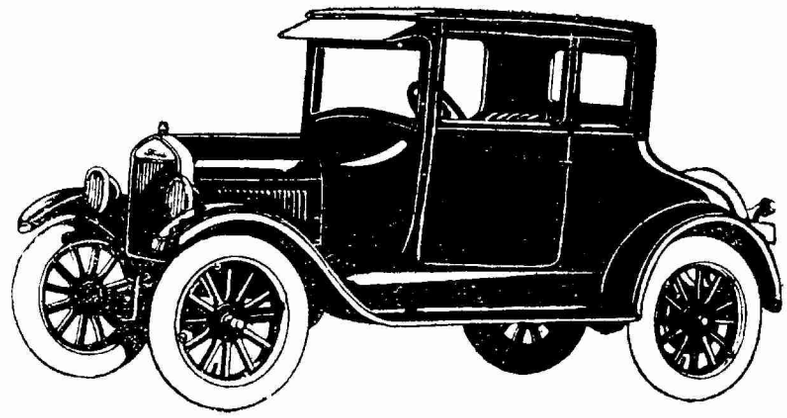

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Another incident shows the meticulousness with which Moscow keeps its hands off Chinese affairs. The International of Trade Unions reports the sending from Moscow to the strike committee in Shanghai of thirty thousand *rubles*. The strike committee acknowledges the receipt of this assistance and sends to "the freest workmen of the world our hearty greetings and the oath of the most oppressed workmen of China to struggle to the end."

Conditions In China Favor Soviet Policy

Conditions in China have amazingly facilitated the spread of the Russian propaganda. The government has been in the hands of a succession of military adventurers whose primary purpose in securing control of Peking has been the use of the power and the acquisition of the pelf that such control entails. Opportunists of this sort, dominating such government as the Republic boasts, offer a standing invitation to unscrupulous intrigue and conscienceless aggression on the part of foreign Powers.

At the same time the succession of events has brought popular sentiment to the point where it is peculiarly susceptible to insidious suggestion. The long years during which foreign Powers have ignored the rights of China and enforced their will by armed strength have produced their inevitable result. The educated and intelligent among the Chinese people, their political and economic life trammeled at every turn by foreign interference, have at lest become articulate in an intense nationalistic movement. Their demand for relief is insistent, but in regard to what must be done and the method of doing it there is much confusion. On only one point is there certainty. It is to "the Powers" that China owes her troubles. Therefore "the Powers" must be attacked.

The determined efforts of the Japanese militarists to extend their continental holdings at the expense of both China and Russia during and after the war made the aggression of Japan, despite her more recent change of policy and a real desire to win China's friendship and good-will, an obvious and easy point of attack. In the South, where memories of the taking of Hongkong and Kowloon, as well as later episodes, cause Great Britain to be looked upon as no less aggressive than Japan, the attack was easily turned against the British. In addition to these political aggressions, both Japanese and British capitalists are operating factories in various parts of China, especially in Shanghai, where labor conditions, though perhaps not out of harmony with the general level in the country and certainly no worse than those in many native mills, leave much for the skilled agitator to picture as desirable.

The whole Bolshevist program could be and was adapted to this attack upon Japan and her ally of old—and possibly of the future—Great Britain. The program called loudly for the overthrow of military aggression and capitalistic exploitation, which in China have been found in their most flagrant form. It insisted in stentorian tones on the freeing of oppressed nations and the liberation of oppressed classes. This demand, too, was particularly applicable to China's relation with the Powers. That Soviet practice bore little resemblance to Bolshevist professions was not emphasized and, if the governments attacked called attention to the discrepancy, their protests were dismissed as unworthy of belief or pushed into the background by voluble references to the policy of international justice that was asserted to be characteristic of the new Russia.

As a result of this peculiarly favorable aspect of affairs, the Russian activities have been able to give vitality and force to many movements in China that, although of great weight, would hardly have got themselves into action for a long-sustained struggle. It is a mistake to ascribe all of the trouble in China to Bolshevist or later Communist activities. There is involved also, much more deeply, resentment against foreign domination, which has been forming over a period of years and has now attained proportions that render it potentially dangerous. Bolshevist activity has been but one of the stimuli that have infused this great body with life and put it in motion. It is hardly probable that the Russians cherish any large hopes of causing Communism to flourish in the unsympathetic soil of China, but in nationalism they have an instrument quite as handy to their use as Communism. So it is chiefly to the fostering of Chinese nationalism that they direct their efforts. Their Soviet technique lends itself admirably to the furtherance of the old czarist game—the essentially Russian game—of intrigue in China to open the gates of the East for the advance of the bear.

The Chinese profess to be grateful for the attitude of Russia. Ostensibly they accept at their face value the Russian protestations of love and fair dealing. They dwell upon the Russian surrender of concessions, Boxer indemnity, extraterritoriality, and so forth, as if Russia had in good faith and with a contrite heart given up these things. But those of us who were in China at the time remember the vehement protest that come from Moscow and Chita when China canceled these Russian privileges without even asking Russian consent. It is difficult to believe that a people as old in statecraft as the Chinese and as subtle in negotiation has accepted without reservation the Russian proffer of friendship. Surely the Chinese of maturer years and larger experience have seen through the Russian maneuvers from the beginning. The students, that whole body of patriotic youth collectively known as "Young China," whose contribution to the national cause is enthusiasm rather than wisdom, may have been carried away at first, but even they could not long be decieved.

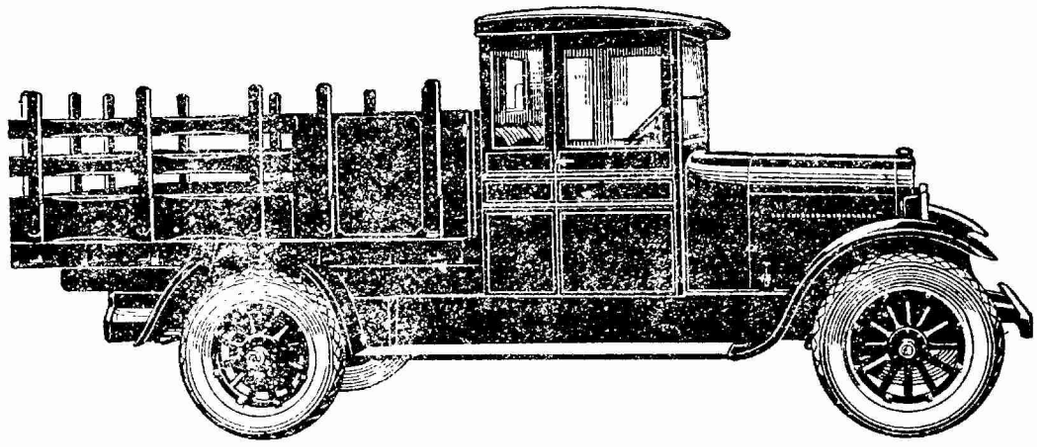
In any case China, old and young, may be quite willing to indulge in the old Chinese game of playing off one foreigner against another. The Chinese leaders may be quite willing to force the other Powers to accept the idea that Russia voluntarily surrendered its privileges and that, if they would again receive the favor of China, they must go and do likewise. They may be quite willing to hurry the other Powers into a surrender of their privileges through fear that China will "go Bolshevik." In other words, China, young and old alike, may be quite willing to win all it can from the other Powers by the use of the Russian bogy and then turn to them for aid against Russia.

Yet, with the possible exception of Japan, Russia is the only one of the Powers that has been guilty of serious aggressions in China since the Washington Conference. That her aggressions have been many and serious the record is before the world to show. They consist not merely of the spread of subversive Bolshevist propaganda in a friendly country, but of old-fashioned territorial encroachments of which czarist Russia at her best might well have been proud.

Russian Encroachments On China

First, there is Mongolia. The Soviet troops entered this province in pursuit of Ungern's flying raiders in 1921. When these were dispersed and their leader shot, the Russians did not return to their own land. They had already organized a "People's Revolutionary government of Mongolia" up in Siberia. This consisted of Comrade Bodo, a former typist in the Russian Consulate-General at Urga, and several other semi-educated Mongols chosen from the Mongol population of Siberia. As soon as the Soviet troops were established in Urga, they summoned Comrade Bodo and his confreres and made him president of the Council of Ministers and at the same time minister for Foreign Affairs of the new Mongolian Soviet state. This "independent government" at once addressed an official appeal to Moscow, requesting it "not to withdraw the Soviet troops from the territory of Mongolia, until there can be a complete removal of the menace of a common enemy." Moscow replied that the request would meet with "complete satisfaction." A regiment of regular Red troops was sent to replace the Partisans and Cossacks who had taken the city. This force was afterward reduced to a battalion, nominally under the control of the Mongolian War Office "by mutual agreement." They remained in Urga until March of 1925 at least. In that month Ambassador Karakhan officially notified China that the Red troops had been withdrawn. He so notified China because Russia, in the course of her negotiations in Peking, had found it to her advantage to recognize Chinese suzerainty over Mongolia. This action may have smoothed ruffled Chinese susceptibilities. But listen to Mr. Chicherin in his report to the Executive Committee on the international situation, made at Tiflis on March 3, 1924. "Our contact with Mongolia is much closer," he says. "We recognize this Republic as part of the Chinese Republic, but we also recognize its autonomy, which is so broad that not only does Mongolia not permit any interference in its internal life on the part of China but also pursues its own independent foreign policy." A withered rind, indeed, is the suzerainty that Mr. Chicherin leaves to China.

More is hardly needed to show the hollow pretense of the Russian professions of international justice. As a matter of fact Russia has separated Mongolia entirely from China and brought it completely under her own control. The existing "government" in Urga is a dummy soviet government, set up by Russian bayonets and dependent upon them for support. If the Soviet troops have been withdrawn —and some doubt is expressed on that score—enough of



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them have remained as legation guards and troop instructors to hold the situation well in hand. Mongolia is no longer Chinese suzerainty: it is under Soviet rule. If any attempt is made to change this status, the Siberian Soviet forces from across the border, less than two hundred miles away, can be returned to their posts in Urga on short notice.

A second example of Russian aggression is the one in Manchuria, already discussed in connection with the Chinese Eastern Railway. When Russia extorted from Chang Tso-lin a treaty assenting to Russian control of the railway, she showed the sincerity of her professed respect for Chinese susceptibilities and for the integrity of China by negotiating with Chang as the ruler of the "Autonomous Three Eastern Provinces." This was the only recognition Chang ever received from a foreign Power in his attempted separation of Manchuria from the Chinese Republic.

Why Feng Is Being Supported

Nor has Russian aggression been confined to the outlying provinces. No sooner had the much-heralded "Christian General," Feng Yu-hsiang, betrayed his former commander, Wu Pei-fu, than he began to receive Russian support for his projected struggle with Chang Tso-lin for the mastery of Peking. Feng, with some eighty thousand men, is established northwestward from Peking, controlling a territory in which there are no adequate sources of military supplies. Nevertheless he is receiving them in large quantity. Passenger traffic by motor-car across the Gobi Desert is suspended while the cars are pressed into service to deliver Russian arms and munitions to Feng. A large base has been established at Kalgan and a still larger one at Dolon-nor, which is less liable to a raiding attack from Chang's forces at Peking. Russia's solicitude for Feng's cause goes still further. Mongolian troops to the number of seventy thousand have been recruited and equipped and are being trained by five thousand Russian officers. These reinforcements will be placed at Feng's disposal when the necessity arises either to defend himself against attack or to drive Chang Tso-lin back behind the Great Wall. Despite ambassadorial preachments, such things are not done for love alone, and Feng knows what sort of price he—or rather China—will have to pay if and when he secures complete control of Peking.

Russia is coming back. The truce of the bear is nearing its end and "Adam-zad" is walking stealthily in the northern marches of China. Across Manchuria through the Chinese Eastern Railway zone he takes his way. In Urga, the capital of Mongolia, he has made his lair. Down across the Gobi he ambles past a Mongol horde such as has not been seen since the days of Genghis Khan. Up to the very gates of Peking he shuffles under cover of the arms of a Chinese adventures, whom he holds under the threat of his iron-shod paw. Far, far to the South, where the call of the bear has never before been heard, he counts upon the allegiance of sixty thousand Cantonese to harry for him his British enemies in Hongkong.

Thus not only is Mongolia lost to China for the time being, but Manchuria and China itself are under more serious threat of Russian domination than at any time since 1904. No nation has so enlarged its spheres of influence, no government has so forwarded its aggressive policy, since the World War, as has the peace and justice-mouthing government of the new Russia. The danger to China's integrity is patent. The threat to Japan's security is no less so: the island empire is again on the defensive and must take steps to meet the advance of the bear.

Kiangnan Dock To Build New U. S. Gunboats?

The Kiangnan Dock and Engineering Works, Shanghai, has been awarded the contract for the construction of the six new American gunboats for service in Chinese waters, according to Shanghai press reports. The tender accepted was Gold $154,000 per vessel, although several other tenders were below this figure.

In the orginal specifications, upon which the tenders were submitted, Diesel engines, to be supplied by the United States government, were to be fitted in the ships, and the United States authorities were also to supply bullet-proof armor-plating and certian auxiliaries. We understand that naval authorities later decided to install steam engines, which reduced the total cost of the vessels some G.$2,000,000.

Other tenders submitted were: Shanghai Dock and Engineering Co., Ltd., whose price worked out at an average of G$107,000 per vessel; the New Engineering and Shipbuilding Works, Ltd., whose average price was Tls. 184,000 per vessel.

Note: The above information has not been confirmed at time of going to press, naval authorities here stating that full details of the awarding of the contract have been delayed.

The Romance of the Little Tin Lamp of Asia

BY LOM DOYLE

At a casual glance there is little romance associated with the kerosene oil trade. Say kerosene to the average foreigner and his mind jumps back a decade or so to days of evil smelling lamps shedding dim lights in stuffy sitting rooms at home, to smoky oil heaters and smokier cookers, to tales of conflagrations caused by kerosene explosions, and to the prosaic tank wagons of the Standard Oil Company seen wandering across America's dusty roads. True it is that in the oil fields there has always been adventure, romance, call it what one likes, human nature in all its nakedness, but the kerosene end of trade still bears the prosaic stamp of the corner grocery. Transplanted to China it has worne its humble mantle well for the oil companies strangely enough, prefer to do their work in the quiet. The advertising they do in these later days is extensive, but it still bears the conservative stamp of the country grocery store and gives little idea of the power behind the grocer's pudgy fist. In fact, so well has the oil trade conducted itself in the scheme of modern human existence, both at home and abroad that it is taken for granted, like the corner policeman for instance. Without it one realizes that there would be a colossal lack of something important, but how important few of us ever stop to think. Consider for a moment what would happen were the annual imports of about fifty million gold dollars worth of illuminating oils into China to be abruptly terminated. How many thousands of employees of the oil companies would be thrown out of work? How many homes would either be, shrouded in darkness or forced to return to primitive vegetable oil illumination? How many motor boats would have to find new fuels? Enough stoppage of ordinary activities at least to create a furor in this supposedly complacent old country and in its present condition, quite sufficient to start a new revolution, an oil war which would be a real one, for in the space of comparatively few years the oil companies have nosed their way into the intimate family life of the Chinese to such an extent that the sudden removal of their wares, once a luxury and now a necessity would upset not only honest old John farmer but it would greatly disturb Mrs. John who, after all is said and done, is similar to the lady Kipling wrote about, for she can certainly upset the most firmly established orders of propriety when she loses her patience and goes on a rampage.

Story of Oil Interesting

The story of oil in China is a chapter of Oriental commercial history which is well worth the attention of every person in any way interested in the China trade. It is an account of the development of a great system of scientific marketing after long years of careful experimentation by hard-headed business men who came to conquer, but unlike many of their friends in other lines of business, they left their brass bands at home and came to be taught, not to teach. Of course, the real reason for the entrance of the great companies into the China market was the development of electric lighting in Europe and America and the increase in kerosene production caused by the jump in gasoline refining after the develpment of the motor car. Domestic demands for kerosene either remained stationary or esle they dropped off. The refiners found themselves with a lot of surplus cargo on their hands which could hardly be hauled out to sea and dumped as gasoline once was, and China and the rest of the Orient looked good to them. They might have flooded China with a sudden freshet of oil but they did'nt. They had plenty of money to spend but none to waste. So they made their haste very slowly and the results of their work as they stand forth in China today vindicate the wisdom of the men sent to "spread the light in China."

Leaving out certain trimmings, due partly to differences in nationality, partly to personalities and largely to circumstance, there is little dissimilarity in the organizations of the larger firms marketing kerosene in China today. Their success is founded on a realization of one fundamental fact, namely, that their product is one which has to be handled in large volumes but eventually distributed in minute quantities to a very poor people whose purchasing power is a poverty-stricken minimum and that this distribution, down to the last one gill cup of oil must be controlled by the importer in order to assure an even price to all and in that way protect the consumer and therefore themselves. Short was the shrift of compradores and oil gamblers in this country, though they made fortunes while the going was good and fought bitterly the inexorable advance of the

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companies from the positions of mere treaty port import houses to nation wide distributors of a daily necessity. And short were the tarries in China of young gentlemen who arrived at Shanghai expecting to spend their days in the pleasant society of this cosmopoltian port. There is no royal road to the taipan's desk in the oil game. The novice's trail is likelier to be a stuffy house boat in a stinking creek or a mangy camel in dusty Kansu, and his playmates what he can find of congenial natives and now and again a missionary who does'nt regard a representative of the oil 'octupus' with horror rather than the genial members of a Shanghai club. For where the oil goes the importers go in persons of their own foreign employees and as much care is taken to see that Mrs. John gets her spoonfull of kerosene at a fair price and in an unadulterated condition as is spent in assuring the great mill-owners of Shanghai that their lubricating oils on which depend the efficiency of valuable machines are of the highest grade. Talk about the personal touch in business—in this country the oil companies give a personal service which is unrivalled save by the cigarette people who go them a close second.

When Oil Came It Came To Stay

While the oil companies came to China on cautious feet they came to stay. The farsighted men who laid the foundations of the trade which increased in gallonage from eighteen and a half millions in 1923 to nearly forty-seven millions in 1924 were not of the fly by night order. They built their homes in China and they built what they intended to be a permanent institution in Chinese life when they brought their oil here at prices which made it available to the masses. When they needed young men from home they frankly told them that they wanted men who were prepared to spend their active years in China, that there was little or no chance of their ever returning to the homelands in the oil business. When they bought property they looked across the years into the future and despite the scorn of lesser business people they pursued this policy which has in every instance proved itself.

The oil companies were the first to smash the old compredore tradition. When they came out they used compradores. These complacent Chinese gentlemen controlled the oil business at once just as a compradore controls anything his fingers touch. When the oil men decreed that the days of compradores were ended a shout of derision arose. It could'nt be done. One could'nt deal with Chinese shopkeepers and small merchants unless one had a strong compradore to control the organization and to guarantee credits. The oil people said nothing, but they did plenty. The dispensed with the indispensable compradores and they made their own connections. They appointed agents to suit themselves and if their trade suffered here and there for a bit due to the machinations of their one time employees these were but incidents in the progress of kerosene into the Orient. It has been more than a decade since the rash step was taken. The figures given here are proof of the wisdom behind it, but they do not tell the stories of the Britishers and Americans who have fought malaria in the valleys and cold and bandits on the mountains and plains during those years of the advance of the rising tide of oil, for after all, in any big business the success or failure of its plans depends in the last analysis upon men, and the oil companies brought men to China. They made it harder to get into their services than do governments their diplomatic establishments. They establsihed training schools at home to weed out the unfit and prepare the elect for their life jobs. They took the attitude that their business was worthy of the best in humankind that could be enlisted. They were willing to pay good money but they demanded a dollar for dollar return on their investment, and they got it.

Storage and transportation are the two big factors in the oil business and right hand in hand with them goes the problem of packing. From the point of view of the men who built the business the map of China was the most interesting piece of literature in the world. They studied that map as generals study the terrain over which they are to throw armies into battle. The people were present, ready to receive the foreign oil but getting it to them at a reasonable cost was the big job. Oil came out at first in cases only, two tins packed in a box in other words. Now tins cost a lot of money and wooden boxes are likewise anything but cheap. Oil was being shipped about other parts of the world in tankers. Therefore it had to be shipped to China in tankers. Tankers called for places to discharge their liquid cargoes. Tanks were erected to receive them. Again a problem arose. These tanks were built at seaports. The trade was away from the sea ports. Was it cheaper to pack the oil in tins and boxes at the ports of entry or was it better to ship it in bulk out to the interior points and pack it in small containers there? The latter seemed the best policy. Tank barges were built for shallow rivers and canals. Small coastal boats were constructed to take care of intermediate

treaty ports. Tank cars were bought and placed upon the railways, and all over China the cylindrical storage tanks of the oil companies commenced to stretch themselves skywards. Small can factories were establsihed here and there to furnish containers for the contents of these new installations and the companies were a step closer to the ultimate consumers of their goods, and a lot of freight and leakage was saved, for be it known that leakage is the curse of the oil business and tins will leak much more than tanks at any rate.

The Oil Can Case

Case oil from abroad, however, still held its own and does today, in certain districts, especially where it has made a reputation for general excellence of quality and uniformity. This case oil trade had many amusing phases due to the demand at times in China for empty containers. During the world war a peculiar instance arose in the report to the manager of a territory not far from Shanghai to the effect that his best grade case oil was being peddled upon the streets of a small town by the dipperfull at a price actually lower than that asked for his very cheapest grade of bulk oil which was handled whether in old tins or in small drums and half-barrels, and that it was demoralizing the market. This chap, having been long enough in China to give credence to even the most impossible stories sent one of his foreign assistants to make a thorough investigation. The young man found that the Chinese making the report had told the truth. Being of a very inquisitive turn of mind he stayed with the problem until he got to the bottom of it. He inquired as to the prices of old tins and empty boxes on that market and found the answer. The Allies were using a lot of Chinese lard. It had to be shipped in oil tins and boxes for lack of better containers. The demand had become so great that the oil merchants could actually get a price for them sufficient to enable them to undercut their own cheaper grades of oil on that market and at the same time make a handsome profit on the turnover. There was no apparent remedy for the situation save to cancel all case oil shipments to that territory. The Shanghai office of that company refused to lend credence to the young man's report and went to the trouble of depatching a senior officer of the company to check it up. He found the same thing that his youngster had uncovered and held up his hands. It was one time when the Chinese had the edge on things and could not be stopped.

Along with the oil the old tins have made themselves a solid place in the affections of the Chinese. A few years ago some curious oil man photographed over fifty different articles found in a small tinners' street in Ningpo, all made from old tins. Lamps, dust pans, garbage containers, shovels, kitchen utensils by the dozen, and at some place a missionary was found preaching from a pulpit built of old boxes and lined with tin. A case of 'spreading the light' in earnest, that.

When handling a commodity like oil, something in universal demand, prices are dangerous things to fool with. A cent this way or that may upset the market of a great territory and contiguous territories have to be very careful in order to avoid upsetting each others' trades. Likewise the companies in the game have found that price cutting does nobody any good and simply raises general commotion all over the country. It is for that reason, simply plain common sense and not the desire to bleed the suffering Chinese that the big follows in the business keep their prices fairly level in all parts of the country. They had a disastrous experience in 1915 or 1916, at any rate about ten years ago that gave them enough war to trans form them into pacifists for many a long year. They cut prices and kept it up until they had nearly severed each others jugular veins.

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Finally, whether it happened in Shanghai, New York, London, or in the smoking room of an ocean liner nobody will tell, some one with a wise head met someone else and the war was over. There is no monopoly on the oil business but there does'nt have to be one in order to keep sane business men from scuttling their own craft in order to block another fellow's channel. China is big enough for them all.

Banking Institutions in China

(*Chinese Economic Monthly*)

A "BANK" in the modern sense of the word was unknown to the Chinese prior to the entry of Western civilization last century. But financial institutions have existed in this country from remote times. When foreign trade with the West began to establish itself in the latter part of the 18th century, foreign banks from their head offices abroad played an active part, and gradually extended their branches to the important trade centers in China. The appearance of foreign banks on Chinese soil made a big impression on the minds of Chinese merchants. In 1896, the first bank owned purely by Chinese came into existence; it was then known as "The Commercial Bank of China, Ltd. (中國通商銀行)," and still exists to-day. In the course of the next ten years such banks as the government-owned "Hu Pu Bank (戶部銀行)" or the Bank of the Board of Finance, "Chun Chwan Yuan (濬川源銀行) or the Provincial Bank of Szechwan, the Bank of Communications and the Provincial Bank of Chihli were established. With the birth of the Republic in 1912, the semi-government-owned Bank of China, reorganized from the old Ta Ching Bank, came into existence. Since then, the number of banking institutions in China has been on a continuous increase until 1922, when a downward trend was apparent. The record year was 1921, when as many as 23 banks were established. The cause of such an abnormal rise was primarily due to banking speculation in the contraction of short term loans to the government at an abnormally high rate of interest. With the issue of the 96 Million Bonds, which consolidated practically all these loans, the establishment of these banks in the following years decreased, as may be seen from the following table:

Year	No. of Banks Established	Year	No. of Banks Established
1896	1	1916	2
1906	1	1917	5
1907	1	1918	10
1908	3	1919	11
1909	-	1920	13
1910	2	1921	23
1911	-	1922	18
1912	5	1923	15
1913	3	1924	8
1914	1	1925 (As of June 30)	5
1915	3	Unknown	11
	Total:		141

On the other hand, foreign banks, with the exception of those owned by Japanese, have maintained their stability. They have conducted their business on a purely commercial basis; and no loan has ever been floated by any of these banks to the Chinese government unless backed with sound security. The Sino-foreign banks, though few in China, have also enjoyed prosperity, and to the Chinese are the chief media for transferring accounts to other countries. The distribution of Chinese banks according to provinces is as follows:

Metropolitan District	23
Chihli province	14
Shantung province	9
Shansi province	4
Honan province	1
Hupeh province	7
Chekiang province	10
Kiangsu province	44
Szechwan province	1
Fukien province	2
Kwangtung province	9
Kiangsi province	6
Fengtien province	4
Kirin province	1
Kansu province	1
Shensi province	1
Chahar Special Administrative District	1
Jehol Special Administrative District	1
Suiyuan Special Administrative District	2
Total:	141

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In China today, there are, in all, 141 Chinese banks, 20 Sino-foreign banks and 42 foreign banks. The total authorized capitalization of the Chinese banks alone runs into $375,150,000, of which $158,160,471 has been paid up. Reserve funds amount to $16,874,957. The individual capital varies from $50,000 to $60,000,000. In the case of a bank that acts as a government treasury, the amount of capital is usually required to exceed $20,000,000. An ordinary commercial bank averages about $1,000,000. Whatever the capital, banks are required by the Ministry of Finance to have at least one-fourth of their authorized capital paid up before being allowed to open. The result of our latest investigation reveals the following figures:

Authorized Capital	No. of Banks
Above $ 60,000,000	1
" $ 20,000,000	5
" $ 10,000,000	4
" $ 5,000,000	12
Tls. 5,000,000	1
" $ 1,000,000	60
Tls. 1,000,000	1
" $ 500,000	19
" $ 100,000	23
Under $ 100,000	1
Unknown	14
Total:	141

The 20 Sino-foreign banks in China have a total authorized capital of $24,000,000, Tls. 4,500,000, Fr. 50,000,000, Rbls. 55,000,000 and Yen 60,275,000. Of these amounts $12,045,230, Tls. 4,500,000, Fr. 10,000,000, Rbls. 55,000,000 and Yen 28 359,000 are paid up. The distribution of these banks in classification of co-operation is as follows:—

Nature of Co-operation	No. of Banks
Sino-American	2
Sino-French	3
Sino-Scandinavian	1
Sino-Russian	1
Sino-Japanese	13
Total:	20

The authorized capital of the foreign banks, which number 43 in all, amounts, in various foreign currencies, to $50,000,000, £11,000,000, G$13,000,000, Tls. 10,000,000, Fr 182,000,000, Glds. 140,000,000 and Yen 543,000,000. The actual paid-up capital of these banks runs as follows: $20,000,000, £6,644,160, G$8,000,000, Tls. 7,500,000, Fc. 150,400,000, Glds. 135,000,000, and Yen 411,370,900. British and Japanese banks are predominant. The former practically control foreign trade in the Yangtze valley and Southern China, while the latter dominate economic development in the Manchurian provinces. The following shows the distribution of foreign banks:

Nationality	No. of Banks
British	4
American	2
French	1
Belgian	2
Dutch	2
German	1
Italian	1
Japanese	10
Russian	1
Total:	43

The following is a list of Chinese banks in China:

Metropolitan District

Bank of China (中國銀行)

Authorized Capital $60,000,000; Paid-up Capital, $19,760,200; Head Office, Peking; Branch Offices, Peking, Tientsin, Shanghai, Hankow, Nanking, Tsinan, Changchun, Mukden, Foochow, Hongkong, Hangchow, Kweiyang, Nanchang, Wuhu, and 64 sub-branch offices and 14 agencies; Established, 1912; Reserve Fund, $6,235,753.30; Profit, 1924, $1,283,497.73; Cash on Hand, $11,521,376.44; Notes in Circulation, $89,978,581.99; Reserve against Note Issue, $89 978, 581.99 (X); Remarks, (X) 70 per cent cash, and 30 per cent stock.

Bank of Communications (交通銀行)

Authorized Capital, $20,000,000; Paid-up Capital, $7,711,350; Head Office, Peking; Branch Offices, Peking, Tientsin, Shanghai, Hankow, Mukden, Harbin, and 32 sub-branch offices and 3 liquidation offices; Established, 1907; Reserve Fund, $53,000.00; Profit, 1924, $559,267.72; Cash on hand, $18,562,205.58; Notes in Circulation, $41,613,418.22;

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The First Floor—

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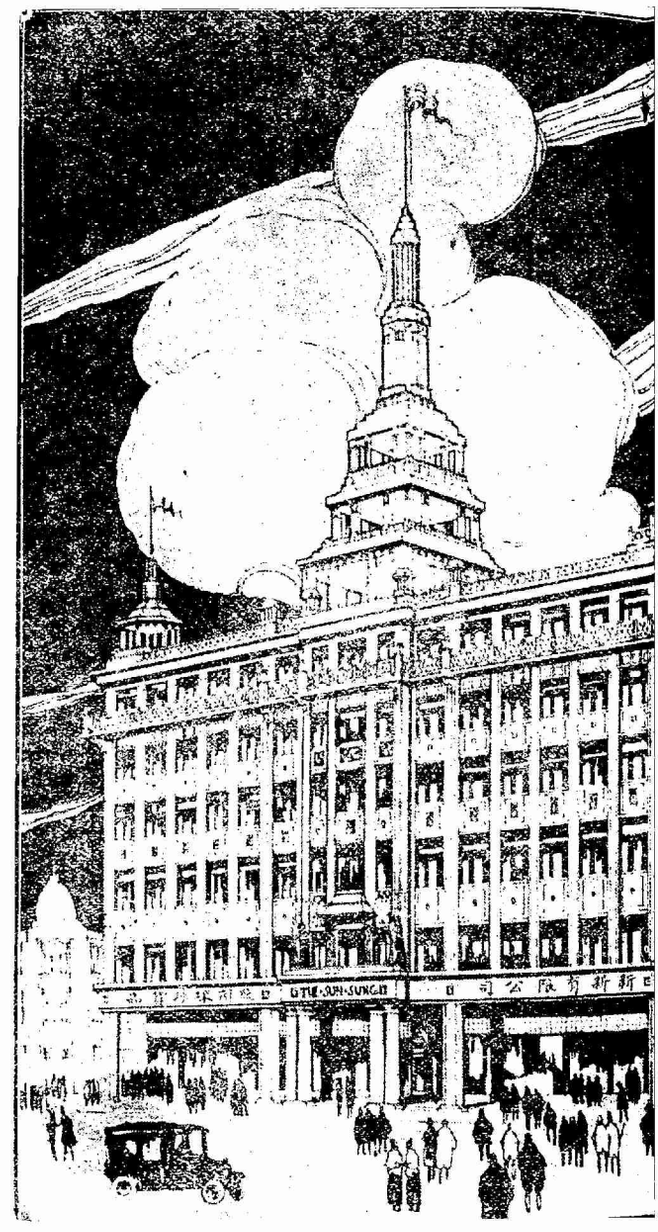

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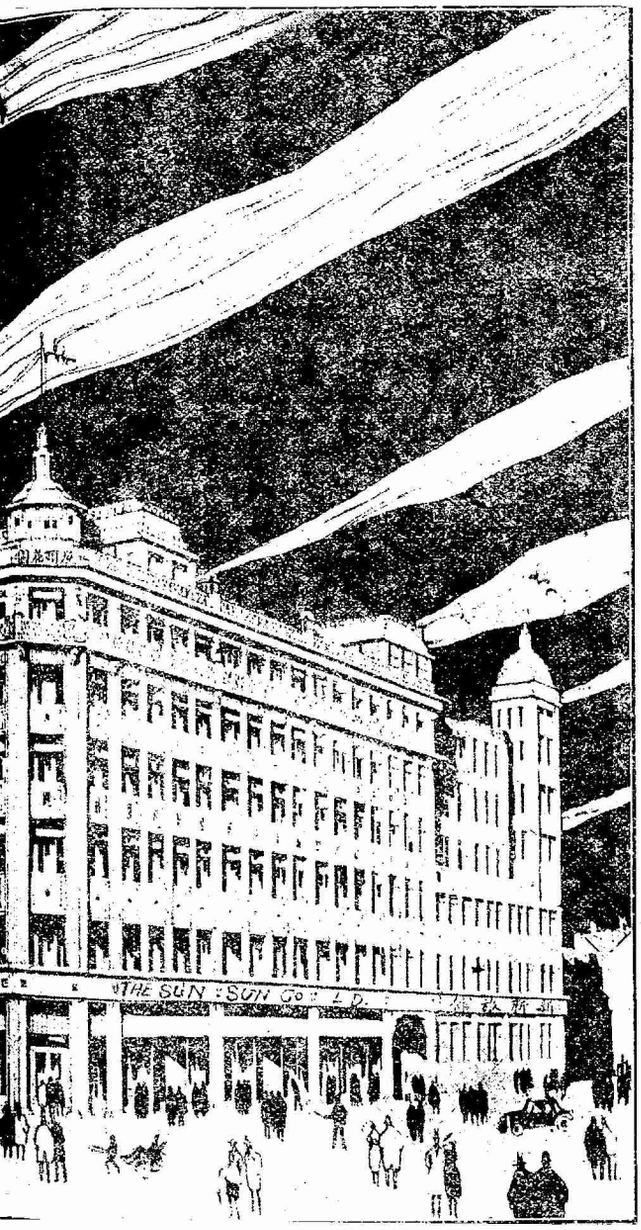

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Industrial Development Bank of China (中國勤業銀行)

Authorized Capital, $5,000,000; Paid-up Capital, $2,389,-100; Head Office, Peking; Branch Offices, Peking, Tientsin, Shanghai, and 2 sub-branch offices at Nanking and Tsinan; Established, 1920; Reserve Fund, $84,539.59 (T); Profit, $428,410.37 (T); Cash on Hand, $276,227.00 (T); Notes in Circulation, $2,301,264.00 (T); Reserve against Note Issue, $2,301,264.00 (T); Remarks, (T) Figures for 1923.

Commercial Guarantee Bank of Chihli, Ltd.
(北洋保商銀行)

Authorized Capital, $6,000,000; Paid-up Capital, $924,-000; Head Office, Peking; Branch Offices, Peking and Tientsin; Established 1910; Reserve Fund, $232,673.81; Profit, 1924, $235,883.78; Cash on Hand, $229,929 76; Notes in Circulation, $461,400.00; Reserve against Note Issue, $461,-400.00; Remarks, (R) The Bank was re-organized in 1920.

Sin Hwa Commerical and Savings Bank
(新華商業儲蓄銀行)

Authorized Capital, $5,000,000; Paid-up Capital, $1,851,-000; Head Office, Peking; Branch Offices, Peking, Tientsin and Shanghai; Established, 1914; Reserve Fund, $780,000.00; Profit, 1924, $339,144.43; Cash on Hand, $542,677.11.

Yien Yih Commercial Bank (鹽業銀行)

Authorized Capital, $10,000,000; Paip-up Capital, $5,-500,000; Head Office, Peking; Branch Offices, Peking, Tientsin, Hankow, Shanghai, Nanking, Shasi, Changchow, Changsha, Ichang Tsinan, Hongkong, Yangchow, Hangchow, Chowkiakow and Chumatien; Established, 1915; Reserve Fund, $1,800.000.00; Profit, 1924, $1,708,453.51; Cash on $2,-892,979.54.

Peking Commercial Bank (北京商業銀行)

Authorized Capital, $1,000,000; Paid-up Capital, $500,-000; Head Office, Peking; Branch Offices, Peking and Tientsin; Established, 1918; Reserve Fund, $232,673.80; Profit, 1924, $235,883.78; Cash on Hand, $229,629.76; Notes in Circulation, $461,400 00; Reserve against Note Issue, $461,-400.00.

Sing Hung Bank (新亨銀行)

Authorized Capital, $1,000,000; Paid-up Capital $1,000,-000; Head Office, Peking; Branch Office, Peking; Established, 1919; Reserve Fund, $220,000.00; Profit, 1924; $178,-053.72; Cash on Hand, $37,770.58.

Ming Hwa Commercial & Savings Bank (明華銀行)

Authorized Capital, $2,000,000; Paid-up Capital, $2,000,-000; Head Office, Peking; Branch Offices, Peking, Tientsin, Shanghai, Ningpo, Tsingtao, and Tsinan; Established, 1920; Reserve Fund, $300,000.00; Profit, 1924, $210,008.75.

Wu Tsuh Bank (五族商業銀行)

Authorized Capital, $1,000,000; Paid-up Capital, $750,-000; Head Office, Peking; Branch Offices, Peking and Tientsin; Established, 1918; Reserve Fund, $101,816.09; Profit, 1924, $92,024.48; Cash on Hand, $860,357.83.

First Citizens Bank (新民商業儲蓄銀行)

Authorized Capital, $500,000; Paid-up Capital, $125,-000; Head Office, Peking; Branch Office, Peking; Established, 1922.

Chinese Women's Commercial and Savings Bank
(中華女子商業儲蓄銀行)

Authorized Capital, $500,000; Paid-up Capital, $125,000; Head Office, Peking; Branch Office, Peking; Established, 1921.

Dai Wen Industrial and Agricultural Bank (大宛農工銀行)

Authorized Capital, $1,000,000; Paid-up Capital, $850.-000; Head Office, Peking; Branch Office, Peking; Established, 1918; Reserve Fund, $260,000.00; Profit, 1924, $198,916.-54; Cash on Hand, $147,207.91.

Chuan Tung Commercial Bank (泉通銀行)

Authorized Capital, $1,000,000; Paid-up Capital, $500,000; Head Office, Peking; Branch Office, Peking; Established, 1920.

Ta Yo Banking Corporation (大有銀行)

Authorized Capital, $1,000,000; Paid-up Capital, $500,-000; Head Office, Peking; Branch Offices, Peking, Tientsin and Shanghai; Established, 1923.

Wanping Jih Sin Agricultural and Industrial Bank
(宛平日新農工銀行)

Authorized Capital, $1,000,000; Paid-up Capital, $250,-000; Head Office, Peking; Branch Office, Peking: Established, 1922.

Bank of Agriculture and Commerce (農商銀行)

Authorized Capital, $10,000,000; Paid-up Capital, $1,730-000; Head Office, Peking; Branch Offices, Peking, Tientsin, Shanghai and Hankow; Established, 1920; Reserve Fund, $127,946.56 (I); Profit, 1924, $225,081 99; Cash on Hand, 241,850 67; Notes in Circulation, $762,149.00; Reserve again Note Issue, $762,149,90; Remarks, (I) Including $56,688 25 Special Reserve.

Ta Chen Commercial Bank (大成銀行)

Authorized Capital $1,000,000; Paid-up Capital, $1,000,-000; Head Office, Peking; Branch Office, Peking; Established, 1921.

The People's Bank (民業銀行)

Authorized Capital, $1,000,000; Paid-up Capital, $500,-000; Head Office, Peking; Branch Office, Peking; Established, 1923,

Ta Hwa Commercial Bank (大華商業銀行京)

Authorized Capital, $1,000,000; Paid-up Capital, $500,-000; Head Office, Peking; Branch Office, Peking; Established, 1923.

Metropolitan Tao Bun Bank (京兆道生銀行)

Authorized Capital, $1,000,000; Paid-up Capial, $500,000; Head Office, Peking; Banch Office, Peking; Established, 1923;

Yung Ta Bank (永大銀行)

Authorized Capital, $250,000; Paid-up Capital, $250,000; Head Office, Peking; Branch Offices, Tientsin and Peking; Established, 1921.

Hsiangshan Tszeyue Bank (香山慈幼銀行)

Authorized Capital, $200,000; Paid-up Capital, $100,000; Head Office, Peking; Branch Office, Peking; Established, 1925.

Chihli

Kincheng Bank Corporation (金城銀行)

Authorized Capital, $10,000,000; Paid-up Capital, $5,500,-000; Head Office, Tientsin; Branch Offices, Peking, Shanghai, Hankow, Chengchow, Nanking and Tientsin; Established, 1917; Reserve Fund, $1,000,000.00; Profit, 1924, $1,330,803,36; Cash on Hand, $4,773,522.44.

Continental Bank, Ltd. (大陸銀行)

Authorized Capital, $5,000,000; Paid-up Capital, $2,500,-000; Head Office, Tientsin, Branch Offices, Peking, Tientsin. Shanghai, Nanking, and Tsinan; Established. 1919; Reserve Fund, $560,490.83; Profit, 1924, $897,229.18; Cash on Hand, $1,523, 272.31.

National Industrial Bank of China (中國實業銀行)

Authorized Capital, $20,000.000; Paid-up Capital, $3,077,-400; Head Office, Tientsin; Branch Offices, Peking, Shanghai, Tientsin, Tsinan and Hankow; Established, 1919; Reserve Fund, $490,423.13 (1); Profit 1924 $315,457.33; Cash on Hand, $314,305.34;-Notes in Circulation, $535,361.00; Reserve against Note Issue, $535,361.00; Remarks, (1) Including $282,356,88 Special Reserve.

Tientsin Ta Yieh Bank (天津大業銀行)

Authorized Capital, $1,000,000; Paid-up Capital, $250,-000; Head Office, Tientsin; Branch Office, Tientsin; Established, 1921; Reserve Fund, $15,356.00 (T); Profit, $63,919.00 (T); Remarks, (T) Figures for 1923.

Ta Sun Bank (大生銀行)

Authorized Capital, $2,000,000; Paid-up Capital, $600,-000; Head Office, Tientsin; Branch Offices, Peking, Tientsin and Shanghai; Established, 1919; Reserve Fund, $129,647.74 (T); Profit, $156,968.46 (T); Remarks, (T) Figures for 1923.

Provincial Bank of Chihli (直隸省銀行)

Authorized Capital, $2,000,000; Paid-up Capital, $1,900,-655; Head Office, Tientsin; Branch Offices, Peking, Shanghai, Paoting and Shihkiachwang; Established, 1906; Reserve Fund, $232,215.00 (T); Profit, $21,498.00 (T); Cash on Hand, $2,000,000.00 (T); Remarks, (T) Approximate figures for 1923.

Tientsin Hsin Yieh Bank (天津興業銀行)

Authorized Capital, $1,000,000; Paid-up Capital, $250,-000; Head Office, Tientsin; Branch Offices, Peking, Tientsin and Shanghai; Established, 1922.

Yu Tsin Bank (裕津銀行)

Authorized Capital, $1,000,000; Paid-up Capital, $600,000; Head Office, Tientsin; Branch Offices, Shanghai and Tientsin; Established 1921.

Chung Foo Union Bank (中孚銀行)

Authorized Capital, $2,000,000; Paid-up Capital, $1,500,000; Head Office, Tientsin; Branch Office, Peking, Tientsin, Hankow and Shanghai; Established, 1916; Reserve Fund, $900,000.00; profit, 1924, $298,I95.30; Cash on Hand, $425,239.14.

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Great North-Western Bank (蒙藏銀行)

Authorized Capital, $5,000,000; Paid-up Capital, $1,250,000; Head Office, Tientsin; Branch Offices, Shanghai, Tientsin and Peking; Established, 1923.

Frontier Bank (邊業銀行)

Authorized Capital, $20,000,000; Head Office, Tientsin; Branch Offices, Tientsin, Peking, Tsinan, Shanghai, Kalgan, Mukden, Changchun, Harbin and Peiho; Established, 1920 (T); Reserve Fund, $93,603.89 (T); Profit, $384,880.47 (T); Notes in Circulation, $1,014,192.00 (T); Reserve against Note Issue, $1,014,192.00 (T); Remarks, (T) Figures for 1923.

Bank of North China, Ltd. (華北銀行)

Head Office, Tientsin; Branch Offices, Peking and Tientsin.

Hwa Sin Bank (華新銀行)

Authorized Capital, $1,000,000; Paid-up Capital, $500,000; Head Office, Tientsin; Branch Office, Tinetsin; Established, 1924.

Tao Sun Bank (道生銀行)

Authorized Capital, $1,000,000; Paid-up Capital, $315,000; Head Office, Tsinan; Branch Offices, Tientsin and Tsinan; Established, 1922.

Shantung

Shantung Bank (山東銀行)

Authorized Capital, $5,000,000; Paid-up Capital, $1,559,200; Head Office, Tsinan; Branch Offices, Shanghai, Tsinan, Tientsin, Tsingtao, Chefoo, Chowtsun, Taian and Chingkiu; Established, 1913; Reserve Fund, $151,974.75; Profit, 1924, $295,713.13; Cash on Hand, 2,070,365.87; Notes in Circulation, $690,158.14; Reserve against Note Issue, $600,000.

Tung Hwai Bang (通惠銀行)

Authorized Capital, $2,000,000; Paid-up Capital, $1,250,000; Head Office, Tsinan; Branch Offices, Shanghai and Tsinan; Established, 1917.

Industrial and Commercial Bank of Shantung (山東工商銀行)

Authorized Capital, $2,000,000; Paid-up Capital, $650,000; Head Office, Tsinan; Branch Offices, Tientsin, Shanghai and Tsinan; Established, 1918; Reserve Fund, $100,000 (A); Profit, 1924, $150,000 (A); Cash on Hand, $500,000, (A); Remarks, (A) Approximate figures.

Foong Dai Commercial & Savings Bank (山東豐大銀行)

Authorized Capital. $1,000,000; Paid-up Capital,$700,000; Head Office, Tsinan; Branch Offices, Shanghai and Tsinan; Established, 1919.

Tung Lai Bank (東萊銀行)

Authorized Capital, $3,000,000; Paid-up Capital, $3,000,000; Head Office, Tsingtao; Branch Offices, Tsinan, Shanghai, Tientsin, Tsingtao and Dairen; Established, 1918; Reserve Fund, $50,625; Profit, 1924, $721,895.59; Cash on Hand $239,469.31.

Shantung Pawnbrokers' Bank (山東當業銀行)

Authorized Capital, $1,000,000; Paid-up Capital, $200,000; Head Office, Tsinan; Branch Office, Tsinan; Established, 1920.

Shantso Bank (山左銀行)

Authorized Capital, $500,000; Paid-up Capital, $300,000 Head Office, Tsinan; Branch Office, Tsinan; Established 1923.

Tai Fong Bank (泰豐銀行)

Authorized Capital, $1,000,000; Paid-up Capital, $320,000; Head Office, Tsinan; Branch Office, Tsinan; Established, 1923.

Weihaiwei Agricultural Savings Bank (農業儲蓄銀行)

Authorized Capital, $500,000; Paid-up Capital, $255,000; Head Office, Weihaiwei; Branch Office, Weihaiwei; Established, 1922.

Shansi

Shansi Provincial Bank (山西省銀行)

Authorized Capital, $3,000,000; Paid-up Capital, $834,000, Head Office, Taiyuan; Branch Offices, Tientsin, Hankow and Taiyuan; Established, 1919; Reserve Fund, $209,167.68; Profit, 1924, $449,640.07; Cash on Hand, $3,161,443.36; Notes in Circulation, $3,278,104 74; Reserve against Note Issue, $3,278,104.74.

Yu Feng Bank (裕豐銀行)

Authorized Capital. $300,000; Paid-up Capital, $300,000; Head Office, Taiyuan; Branch Offices, Tientsin, Taiyuan, Shihkiachwang and Tatung; Established, 1920; Reserve Fund, $4,000.00 (A); Profit, 1924, $10,000.00 (A); Cash on Hand, $26,000.00 (A); Remarks, (A) Approximate figures.

Chin Shen Bank (晉勝銀行)

Authorized Capital, $350,000; Paid-up Capital, $350,000; Head Office, Taiyuan; Branch Offices, Tientsin, Taiyuan, Peking, Hankow, Paotowchen, Fengchen and Shihkiachwang; Established, 1913; Reserve Fund, $8,000.00 (A); Profit, 1924, $15,000.00 (A); Cash on Hand, $30,000.00 (A); Remarks, (A) Approximate figures.

Shansi Tao Sun Bank (山西道生銀行)

Authorized Capital, $500,000; Paid-up Capital, $500,000; Head Office, Taiyuan; Branch Office, Taiyuan; Established, 1924.

Honan

Provincial Bank of Honan (河南省銀行)

Authorized Capital, $5,000,000; Paid-up Capital, $1,250,000; Head Office, Kaifeng; Branch Offices, Hankow, Kaifeng, Peking and Chengchow; Established, 1923.

Hupeh

Wha Fung Bank (華豐銀行)

Authorized Capital, $500,000; Paid-up Capital, $250,000; Head Office, Hankow; Branch Offices, Shanghai and Hankow; Established, 1917; Reserve Fund, $24,408.27; Profit, 1924, $36,933.55; Cash on Hand, $92,081.50.

Young Bros. Banking Corporation (業興誠銀行)

Authorized Capital, $1,000,000; Paid-up Capital, $1,000,000; Head Office, Hankow; Branch Offices, Chengtu, Chungking, Wanhsien, Ichang, Hankow, Shanghai, Tientsin and Peking; Established, 1913; Reserve Fund, $306,407.27 (I); Profit, 1924, $128,041.10; Cash on Hand, $459,454.16; Remarks, (I) Including $50,007.27 Special Reserve.

Hwangpi Commercial Bank (黃陂商業銀行)

Authorized Capital, $1,000,000, Paid-up Capital, $1,000,000; Head Office, Hankow; Branch Offices, Shanghai and Hwangpihsien; Established, 1912.

Ta Heng Bank (大亨銀行)

Head Office, Hankow; Branch Office, Hankow.

Yi Feng Bank (義豐銀行)

Head Office, Hankow; Branch Office, Hankow.

Hankow Bank (漢口銀行)

Head Office, Hankow; Branch Office, Hankow.

Industrial Bank of China (中國興業銀行)

Authorized Capital, $20,000,000; Paid-up Capital, $5,000,000; Head Office, Hankow; Branch Office, Shanghai; Established, 1924.

Chekiang

Agricultural and Industrial Bank, Hangchow (杭縣農工銀行)

Authorized Capital, $200,000; Paid-up Capital, $100,000; Head Office, Hangchow; Branch Office, Hangchow; Established, 1918.

Chekiang Tsu Feng Bank (浙江儲豐銀行)

Authorized Capital, $300,000; Paid-up Capital, $252,800; Head Office, Hangchow; Branch Offices, Hangchow and Huchow; Established, 1918.

Chekiang Savings Bank, Ltd. (浙江儲蓄銀行)

Authorized Capital, $500,000; Paid-up Capital, $125,000; Head Office, Hangchow; Branch Office, Hangchow; Established, 1921.

Tao Yih Banking Corporation (道一銀行)

Authorized Capital, $600,000; Paid-up Capital, $460,000 Head Office, Hangchow; Branch Offices, Hangchow and Shanghai; Established, 1919.

Wei Ti Bank, Ltd. (惠迪銀行)

Authorized Capital, $200,000; Paid-up Capital, $124,900; Head Office, Hangchow; Branch Office, Hangchow; Established, 1912; Reserve Fund, $1,500.00; Profit, 1924, $13,069.96; Cash on Hand, $40,834.29.

Hangchow Commercial Bank (杭州商業銀行)

Authorized Capital, $500,000; Paid-up Capital, $125,000; Head Office, Hangchow; Branch Office, Hangchow; Established, 1923.

Hwa Foo Bank (華孚銀行)

Authorized Capital, $1,000,000; Paid-up Capital, $7,000,000; Head Office, Hangchow; Branch Offices, Hangchow, Huchow, Peking; Established, 1917.

Chekiang Provincial Bank Ltd. (浙江地方銀行)

Authorized Capital, $1,000,000; Paid-up Capital, $1,000,000; Head Office, Hangchow; Branch Offices, Hangchow, Haimen and Lanchi; Established, 1908; Reserve Fund, $43,795.82; Profit, 1924, $116,479.10; Cash on Hand, $995,184,87.

Kashing Commercial Bank (嘉興商業銀行)

Authorized Capital, $100,000; Paid-up Capital, $100,000; Head Office, Kashing; Branch Office, Kashing; Established 1922.

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Bank of Sungkiang (松江銀行)

Authorized Capital, $500,000; Paid-up Capital, $125,000; Head Office, Sungkiang; Branch Office, Sungkiang; Established, $1910.

Kiangsu

National Commercial Bank, Ltd. (浙江興業銀行)

Authorized Capital, $2,500,000; Paid-up Capital, $2,500,000; Head Office, Shanghai; Branch Offices, Hangchow, Shanghai, Tientsin, Mukden, Peking, Harbin and Hankow; Established, 1908; Reserve Fund, $120,107.85; Profit, 1924, $501,793.56; Cash on Hand, $3,115,011.69; Notes in Circulation, $167,140; Reserve against Note Issue, $167,140.

Chekiang Silk Merchants' Bank, Ltd. (浙江絲綢商業銀行)

Authorized Capital, $2,000,000; Paid-up Capital, $700,000; Head Office, Shanghai; Branch Offices, Hangchow, Shanghai and Shaohing; Established, 1921; Reserve Fund, $13,086.80; Profit, 1924, $2,300.00 (A); Cash on Hand, $96,050.00 (A); Remarks, (A) Approximate figures.

Hwa Dah Commercial & Savings Bank, Ltd. (華大商業儲蓄銀行)

Authorized Capital, $1,000 000; Paid-up Capital, $500.000; Head Office, Shanghai; Branch Office, Shanghai; Established, 1920; Reserve Fund, $31,060.44; Profit, 1924, $65,454.64; Cash on Hand, $247,842.31.

China and South Sea Bank (中南銀行)

Authorized Capital, $20,000,000; Paid-up Capital, $7,500,000; Head Office, Shanghai; Branch Offices, Shanghai, Hankow and Amoy; Established, 1922; Reserve Fund, $335,329.14; Porofit, 1914, $1,126,516.46; Cash on Hand, $1,254,637.49.

Shanghai Commercial & Savings Bank, Ltd. (上海商業儲蓄銀行)

Authorized Capital, $2,500,000; Paid-up Capital, $2,500,000; Head Office, Shanghai; Branch Offices, Soochow, Shanghai, Changchow, Nanking, Nantungchow, Chefoo, Hankow, Tientsin, Tsinan, Pangfow, Hangchow and Chinkiang; Established, 1915.

Chekiang Industrial Bank (浙江實業銀行)

Authorized Capital, $2,000.000; Paid-up Capital, $1,800,000; Head Office, Shanghai; Branch Offices; Shanghai, Hangchow and Hankow; Established, 1923; Reserve Fund, $500,000.00; Profit, 1024, $382,587.91; Cash on Hand, $500,885.91; Notes in Circulation, $2,300,000; Reserve against Note Issue, $1,425,000.

Chinese Industrial Bank, Ltd, (中華勤工銀行)

Authorized Capital, $1,000,000; Paid-up Capital, $516,500; Head Office, Shanghai; Branch Office, Shanghai; Established, 1921.

Teng Hsu Savings Bank (惇敘儲蓄銀行)

Authorized Capital, $100,000; Paid-up Capital, $50,000; Head Office, Shanghai; Branch Office, Shanghai; Established, 1921; Reserve Fund, $8,000.00 (A); Profit, 1924, $11,700.00 (A); Cash on Hand, $33,000.00 (A); Remarks, (A), Approximate figures.

(*To be Concluded next Week*)

Enormous Crowds Mark Opening Of Sun Sun Company

The Sun Sun Company, Shanghai's newest department store, was the center of attraction for a crowd estimated at 50,000 last Saturday from early morning until late that night, when the new $4,000,000 emporium was officially opened to the public. The doors were opened at 9:30 in the morning and the crowds allowed to wander through the aisies banked with merchandise. The store was forced to close the doors during the afternoon because of the enormous crowds which threatened to suspend traffic along Nanking Road. About a dozen foreign police were called out to keep traffic open. The Sun Sun Company expect to do a $5,250-000 business this year with an estimated profit of $1,905,490. The magnitude of the new undertaking, which is chiefly Cantonese, is realized from the estimated expenses for 1926, as published by the managers, which are as follows: Land rent, $125,000; Salaries and wages, $110,100; Board and lodging of employees, $57,600; Interest on capital, $300,000; Telegraph, stamps and stationery, $15,000; Donations and gifts, $8,000; Advertising, $12,000; Insurance, $12,000; Taxes and miscellanous, $12,000; Breakage and shortage, $20,000; Warehouse, $3,600; Depreciation on building, 40,000. Total estimated expenses, $830,100. Estimated net profit for first year, $612,540. The above schedule is estimated only on the basis of a moderate business and the directors of the Sun Sun Company are confident that the actual business will be greater than that estimated.

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35-273

A Survey of the Silk Industry of Central China

(Continued from last week)

Probably the greatest advantage that the Wusih filatures have is the ample financial backing by local capitalists which makes them sound and successful enterprises. Continual changing of management and organization is thus avoided. The business is made permanent, the physical conditions of the filatures is kept up and the reliability of the chops is established. It is little wonder that chops such as Double Gold Deer, Double Eagle, Three Dancers, etc., are found uniform and are graded very high on the market, year after year.

Wusih is, however, over-crowded with filatures. The competition for the cocoon and labor supply is exceptionally keen. As mentioned before the local filatures consume more cocoons than the Wusih area can produce. Further expansion of the filature industry therefore depends on the increase of its cocoon supply, which in turn can be brought about by the opening of new cocoon districts, by supplying better egg sheets to the farmers, and by teaching them scientific methods of silkworm rearing.

Egg Production

In the Wusih-Changchow district, like other districts of Kiangsu Province, the sericultural farmers produce egg sheets themselves. Each family selects one or two catties of the best cocoons of their crop, and prepares the egg sheets for the next year. The number of egg sheets or layings used annually in this district is not known, but from the annual cocoon production the most conservative estimates are nearly sixty million layings. Practically all are produced in the native way, that is, the moths are not microscopically examined.

Modern egg producing stations are being established in the Wusih-Changchow district and disease free egg sheets are being distributed to the farmers, but the amount is as yet too small to be significant. There are two egg producing stations at Wusth, namely, the Provincial Sericultural Experimental Station outside of West gate, and the city Silkworm Egg Producing Station, in the Silk and Cocoon Guild building near the Wei Hills. The former was established in 1918 by the Provincial authorities of Kiangsu with a nominal annual appropriation of $12,720 and produces 40,000 layings of disease free eggs, with the assistance of branch stations at I-Shing and Kiangyin. The latter station was established in 1923 by the city authorities of Wusih with an annual appropriation of $1,800 and produces the same amount of eggs. The International Committee for the Improvement of Sericulture in China has a station at Henglin near Changchow for egg production. Besides the disease free egg sheets made locally 20,000 sheets of half a million layings are purchased annually by the filatures, the Silk and Cocoon Guilds and other organizations. These eggs are purchased from the International Committee, the Girls' Sericultural School at Hushukwan and other disesse free egg producers, for distribution among the farmers.

Improvement Work

Besides the production and distribution of disease free egg sheets in the Wusih district, which is the most urgent need in the silk improvement work in China, a station demonstrating modern methods of silkworm rearing was established in 1925 at Yen Chao, a village ten miles North of the city of Wusih, by the Hushukwan Girls' Sericultural School under the auspices of the International Committee. It was felt that a demonstration station at this place, where so many disease free egg sheets were distributed, would be of great value in teaching the farmers better methods of rearing silkworms.

This station hatched 2,000 egg sheets and sold the small worms to the farmers after the first and second sleep. Only a very small amount of worms was raised at the station for the purpose of demonstration. The girls spent most of the time in teaching the farmers better rearing methods in daily visits to the one hundred or more farmers to whom the small worms were distributed.

During the the 1925 season much propaganda work was done among the filature men, by members of the International Committee, on the value of high grade cocoons produced from disease free eggs, as determined by the Shanghai International Testing House. As a result the cocoon markets paid a premium for cocoons raised from the so-called "school eggs." When the excellent gross yield of about 4.2 became known, this premium reached from 20 to 25 per cent of the price of the ordinary cocoons, with several unique types of bonuses added to attract and encourage the producer of the high grade cocoons. About 900 piculs of fresh cocoons produced from disease free eggs were purchased in this district at a price ranging from $70 to $80 while those produced from native eggs sold for $55. Even at the price paid, the net profit to the filature was over Tls.100 more per picul of silk for the high grade cocoons than for the usual kind, which after all is the best demonstration for the hard-headed business man. This has given a big impetus to the movement of introducing certified eggs, as every one sees their economical advantage.

SOOCHOW DISTRICT

General

The Soochow district sericulturally is of far less importance than the Wusih district. It is located East of the Tai Ho Lake and covers a strip of land bounded by the Yangtse River on the North and Chekiang Province on the South, including the city of Soochow, the Lake Island and Changsu. Its northeastern section extends to the cotton growing district of Tai Chong, and its southern section adjoins the Tsatlee district. Sericulture is prosperous in the villages near Kiangyin and Wusih, the immediate territory surrounding the lake, and the islands of the Tai Ho Lake.

The city of Soochow is a filature center as well as a silk weaving center. There is another silk weaving center in the district called Chenshai which is located near Kashing in Chekiang Province.

Mulberry Plantations And Silkworm Rearing

The mulberry trees planted and the species of silkworms reared in the northern section of the district are similar to those of the Wusih district, while in the southern section, they are more like those of the Tsatlee district. The type of mulberry trees planted in the southern section is of Huchow origin, popularly known as Husang, which is the type cultivated in Chekiang Province. The trees grow about 6 feet tall and are planted 6 feet apart, or about 140 to 160 trees to a mow.

The following detailed cost of production of leaves in the Soochow district was given by the Hushukwan Girls' Sericultural School. The value of mulberry land with trees in full production is about $80 per mow. Assuming an interest rate of 10 per cent which is the average interest charge in China, the interest on the initial investment is $8.00. The average farm laborer can cultivate eight mows of mulberry land, and the wage paid is about 30 cents a day without food (that is, the worker has to furnish his own food) or $9.00 a month or $108 per year. The labor cost per mow per year is $13.50. The amount of fertilizer to be applied on a mow of land including pond mud in winter, and night soil in spring, costs $6. The land tax is 70 cents per mow. In tabulated form, the cost per mow per yard, is as follows:—

Interest on investment in land	$8.00
Labor	13.50
Fertilizer	6.00
Land Tax	.70
Total	$28.20

There is an income of about $2.00 per mow from by products in the form of branches to be sold as firewood The annnal production of mulberry leaves per mow is about 8 piculs for spring crop, and two piculs for summer. Therefore the cost of producing mulberry leaves is approximately $2.60 per picul.

The above figures apply only to those producers of leaves like sericultural schools, sericultural organizations and wealthy land owners, who employ labo r to cultivate the fields. The ordinary sericultural farmer works his own mulberry orchard, and therefore will have no labor item on his cost sheet. He may be an owner of land or may be just a tenant. In the latter case he has to pay annually $7.00 per mow to the landowner. Part of the fertilizer used will be bought, and part secured by himself. The cost of producing mulberry leaves per mow in this case, therefore, is as follows:—

Rent on Land	$7.00
Fertilizer	3.00
Total	$10.00

He will use the branches as his fuel supply and feed the leaves to his silkworm crop. If he does not rear silkworms, or produces more leaves than he needs for his requirements, he may sell them in one of three ways. First, he may sell the right to pick leaves on his tract of land, in which case it is usually stipulated in the contract that the buyer shall have the right to pick half grown leaves, for feeding small worms. The second way is to sell by forward contract the leaf production of the land at a fixed price, per picul. Here it is stipulated that the leaves are to be picked when full grown. The sale by forward contract usually means that the farmer is hard pressed financially so the price paid for the leaves is below par, (usually about $2.00 a picul) one-half of which is paid at the time of signing the contract, and the remainder at the time of delivery. The third way is to

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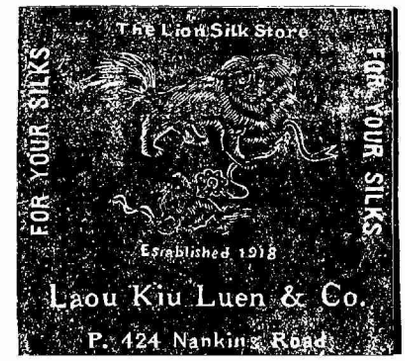

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sell leaves on the open market where ordinarily the farmers can get $3.00 per picul for their leaves. However, the price is subject to severe fluctuations, as the market for leaves is of short duration, (about 10 days) during the period between the last moulting of the worms, and the spinning of cocoons, and this introduces a large element of speculation.

Cocoon and Filature Silk Production

The most important cocoon center in the district is the Lake Islands with an annual production of 3,000 piculs of dry cocoons. The villages like Modor and Kwangfu, southwest of the city of Soochow are also cocoon producing localities. The products are known as Lake Islands cocoons, and form the main source of raw material supply of the Soochow filatures. More than half of the cocoon hongs in the above places are owned and operated by the filatures, giving them a partial monopoly of the cocoon production there. In the northwestern part of Changsu, cocoon production is also prosperous. There are 20 cocoon hongs, with 368 ovens, and an annual production of 4,000 piculs of dry cocoons. The quality of cocoons is similar to that of the Kiangyin cocoons. The extreme southern section of the district is a cocoon producing as well as a Tsatlee silk producing place.

The city of Soochow itself and its immediate surroundings, is a filature and weaving center. It has three filatures with 788 reeling basins. These filatures like those of Wusih are well equipped and managed, and likewise enjoy the advantages of cheaper production costs in comparison to Shanghai filatures. The silk chops of Soochow filatures also have a high grading. The establishment of another filature in the near future at Soochow is being planned.

Silk Weaving Centers

Soochow was a leading silk weaving center in China in the Tsing dynasty, producing beautiful brocades, figured satins, ribbons and embroideries as tributes to the Imperial throne. According to Mr. James H. Hart, Commissioner of Customs, in his report on silk, the raw silk consumed locally during each of the years 1878 and 1879 for manufacturing purposes amounted to 159,000 kilograms or 2,640 piculs. Its importance has gradually declined since the introduction of the modern silk weaving industry into Hangchow and Huchow of Chekiang Province in 1910. At present its hand looms are still busy, although their output is of far less quantity; yet it is estimated to be valued at millions of dollars annually.

Chenshai is the second center of silk weaving in this district. The silk piece goods produced here are of light weight, like the Habutae of Japan. There are about 8,000 looms consuming about 8,000 bales of raw silk annually. This silk is supplied by Tsintsa, Nanzin, Pinwong and a very large portion by the Kashing district.

Egg Production

The farmers in the northern section of the Soochow district like those of the Wusih district prepare egg sheets themselves. In the southern section, the eggs are either produced by the farmers individually or are bought from the egg merchants in the Tsatlee or Shaoshing district. Modern disease free eggs are produced in this district by the Hushukwan Girls' Sericultural, School and the Soochow Station of the International Committee.

The Hushukwan Girls' Sericultural School is located in the small towm of Hushukwan ten miles west of Soochow. It was established in 1913, and is not only the largest school of its kind of China, but, from the very beginning it has had a most enviable reputation. The school is supported by an annual grant of $35,000 from the provincial government of Kiangsu Province, and gives free tuition and board to students of the province while a small free is charged for outside students. The annual enrollment is usually about 140, although in 1925 it dropped to 80 due to the political disturbances within the province.

The work of the school is divided into four departments:—silkworm rearing, mulberry production, silk reeling and extension. The last named department is not a part of the instruction work but has for its purpose the introduction of modern sericultural methods to the farmers, in the different parts of the province.

Tha silkworm rearing department gives courses of instruction in silkworm rearing, and practical demonstration during the rearing season. It also supervises the egg production work, producing annually 6,000 sheets of 168,000 disease free layings which are distributed to the farmers. Besides the egg production of the school, 10,000 sheets of 280,000 layings were made by the graduates of the school, and distributed through the school. Of the 16,000 sheets, 400 were bought by the farmers at Tsingzah in the Tsatlee district, as a result of the extension work carried on at that place for a year. The Wusih filatures also took a large quantity of their sheets. Owing to the good demand, the school in 1925 is planning to make 10,000 sheets instead of 6,000 and the graduates are planning to increase their production.

The sheets produced are sold on the market at three prices, 40 cents each for Sin Yuen and Ta Yuen species of worms; 50 cents each for Tsu Kwei and 60 cents each for Japanese-Chinese cross breed. The cross breed egg sheets are the most in demand among the sericultural schools in China at present. It is claimed that they are superior to other kinds of egg sheets, giving worms which are easy to rear and producing high grade cocoons with a gross yield as low as 3.2. The cross breed egg sheets are expensive to produce, the actual cost being $0.80 to $1.00 per sheet. In order to be able to produce cross breed egg sheets on a large scale, it is necessary to have machines for separating male and female cocoons, and also refrigerating facilities for egg storage. There may be, however, a serious consequence from the introduction of cross breed worms. The farmers who have always been accustomed to make their own egg sheets, when seeing the fine cocoons resulting from the cross breed may decide to produce their own egg sheets from these cocoons. In as much as the second and third generations of worms begin to revert to the original species, the cocoons produced would soon be a poor mixture of Japanese and Chinese cocoons.

The microscopic examination of egg sheets is done during the summer by the instructors of the school. The percentage of disease is claimed to be very low, varying from .2 to .5 per cent but always less than one per cent. The egg sheets produced by the graduates of the school, who have six companies located in the vicinity of the Shanghai-Nanking railroad, are all examined by the school at a very low charge. The percentage of disease in the egg sheets produced by the graduates last year averaged below 1 per cent., the worst case being 3 per cent. The cost of producing egg sheets in the school is approximately $1.20 per 100 layings.

The mulberry production department cultivates the 170 mows of mulberry land owned by the school, and supervises the work of 230 mows of adjoining mulberry land owned by the graduates.

The courses in silk reeling are given after the rearing season. There is a small laboratory in the school consisting of a number of small hand reeling machines, and miscellaneous apparatus. Madame Ou, widow of the late manager of the Sincere Company of Shanghai, has recently donated to the school, a 30-basin Japanese filature with boiling tanks, power plant, etc. Due to the unsettled political situation of the province, the school has not yet been able to obtain funds to house and install the machinery.

The Extension Department is a distinctive feature of the work of the school. The department has a staff of three who spend most of their time outside of the school, in introducing disease free eggs, and modern methods of sericulture to the farmers. The farmers need to be shown real facts before they will follow and adopt the new methods. The work done by the department at Tsingzah, of the Tsatlee district, in the 1924 silkworm season brought wonderful results and a good reputation. A fund of $1,200, half from the treasury of the school and half from the city of Tsingzah, financed the work. Two hundred and twenty egg sheets were taken to the rearing house in the suburb of Tsingzah, and the new methods of rearing were demonstrated to the farmers. The healthy growth of the worms during the first and second sleeps attracted much attention. The small worms were then offered for sale at a low price to the farmers who were promised the supervision of the staff from the school. They were rapidly bought and the staff kept a small quantity for itself. The bad weather during the third and fourth stages caused much disease to develop among the worms from native eggs being reared according to native methods. However, the worms distributed by the school staff grew healthy in spite of weather conditions and gave an excellent crop. The name of the school was thus made famous. Before the close of the rearing season the farmers came in to place orders for their egg sheets, and 3,600 sheets were sold in advance. If they had more disease free sheets available, they could have been distributed there at high prices.

Besides the work done at Tsingzah the schools also took care of the Soochow station of the International Committee in 1924. The work done by the staff of the school there showed such good results that the Committee arranged with the school, to secure for the Committee, the permanent service of the staff.

In 1925 the Extension Department of the school besides continuing its work at Tsinzah, also secured the co-operation of the International Committee in establishing another demonstration station at Yen Chao, the results of which have been described elsewhere in this book.

(To be continued next week)

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News from South China

The second national conference of the Kuomintang left wing in Canton, in session in Canton since January 1 with some 14 outside delegates and many local Kuomintangites holding proxies thus providing for a membership of nearly 200, closed its meetings January 16. Resolutions passed during the session included the approval of the late Dr. Sun Yat-sen's co-operation with the Soviets, re-confirmation of Kuomintang attitude of friendship with Russia, condemnation of Japanese military invasion of Manchuria, support to workers boycotting Hongkong, demands for early abolition of unequal treaties and meeting of national conference of people's delegates in Peking. Among the delegates from the outports was Mrs. Sun Yat-sen, widow of the chief of the party.

Mr. Loo Hing Yuan, Attorney-General of the Kuomintang government in Canton, to be assisted by Mr. Lam Cho Hung, Wong Mau Kung, and Mr. Shum Ying Shi, has been instructed by the Kuomintang to prosecute General Leung Hung Kai and six others charged of being an accomplice in the assassination of the late Mr. Liao Chung Hoi, chief of the labor division of the party, who was shot dead at Waichow Guild Hall, Canton, last August. The accused have been in military custody for the last six months without a trial and the left wing conference in session recently, recognizing the injustice of holding men this way, has taken action to urge for a speedy trial. The Kuomintang has also indicted Mr. Chu Chock Man, a former director of the Kwangtung Arsenal, for murder; but so far he is still at large.

Mrs. Liao Chung Hoi, acting chief of the women's division of the Kuomintang in Canton, has enlisted more than 200 ladies from the families of politicians and militarists of the city for a first aid to the injured, giving each a two-hour training daily. It is the hope of Mrs. Liao that these ladies may soon be able to undertake ambulance work soon.

The expected visit of General Chiang Kai-shek and Mr. Wang Ching-wei of the Red Army Commissary to Wuchow for conference with the leading Kuomintang politicians and militarists there, according to vernacular press reports, is for arrangement for a Northern Punitive Expedition against Peking under the direction of the present Canton regime. The first move, it is said, will be an attack on Hunan, the offensive being assigned to the Kwangsi Army of which Genenrals Li Chung-jen and Huang Sbao-hung are now commanding at Nanning and Wuchow. The Kwangsi Army, in this offensive attack on Honan, will be re-inforced by *Tang-chuns*, or Reds, from Woping and Linping, and by Hunanese mercenaries unfriendly to the Hunan Tuchun, General Chao Heng-te, from the North River districts of Kwangtung. The Red Army of Kwangtung will detail the first, second, and third, and a part of the sixth army corps, to this expedition, according to information gained so far.

Junk owners along the North River in Kwangtung are complaining against the high fees they have to pay to the numerous military stations enroute to gain the protection which does not always give for value received. From Namyung to Poontong, about a distance of 1,600 li, the Kuomintang Red Navy is establishing 16 chief military stations, collecting a "protection fee" of from $3 to $12 a junk at each station on the way. Timber floating down the North River from the mountain districts will be charged "protection fees" according to the size of the log-pile, ranging from $10 to $30 a pile.

Notwithstanding the good rice harvest last season, the military authorities at Wuchow have not been pleased to repeal the recent embargo on this article. The lower districts of the West River are dependent to a great extent on rice from the upper districts.

The Whampoa Development Association at Canton, for the purpose of promoting a port to rival Hongkong, agitated mostly by workers interested in the present "anti-imperialist" boycott, held its inauguration ceremony at the Educational Association Building, Kau-yao-fong, afternoon of January 14, some 300 persons attending. The Chinese National Labor Uuion, purporting to represent workers all over China, and 14 other organizations, were said to have signified their willingness to each nominate a representative to form the executive committee of the association.

By an order of the Kuomintang government in Canton, issued January 4, but just published, all individuals or organizations opposing the financial measures of the party or interfering with revenue officials in the discharge of their duties will be liable to criminal proceedings. In the past, many would organize themselves into groups or hold meetings to protest against exorbitant or illegal or unreasonable taxatious, going sometimes as far as suspending a trade or closing down a business rather than submitting to the imposts some thought as unjust.

The Canton Strike Committee enforcing the boycott against the "imperialists" in a neighboring port, replying to charges of extortion and corrupt pratice on the part of its pickets in their several stations, has formally advised the

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Canton Government that some of the pickets are self-appointed without sanction from the central authorities and that these culprits, when arrested and found guilty, should be punished twice as severely as ordinary offenders.

According to the Canton Strike Committee, there are now more than 3,000 strike pickets on duty in different stations in Canton and vicinity.

Notwithstanding the admission of at least three newspapers into Canton from Hongkong, the Canton public is still being fed with distorted views regarding the Hongkong Chinese attitude towards the strike settlement. According to a Canton Press report, the prolonged non-settlement of the difficulty has been caused by an unwillingness on the part of the Hongkong authorities to despatch a responsible delegation; and the Hongkong Chinese, unable to solve the problem, are to suspend their business and trade beginning January 19. Of course, when a Hongkong excursion party, composing of nearly 200 overseas Chinese now visiting Hongkong departs for Canton from Hangkong on January 18, they will be able to enlighten the Canton public that, while the Hongkong Chinese do suffer the present circumstances, they are not to the extent of having to close down their shops.

The leading trade guilds in Canton and Hongkong are trying to indue the Strike Committee to relax its picketing after the 16th day of the 12th moon, or from January 29 to the Chinese New Year, February 13, in order there may be a free movement for the transportation of holiday goods and to facilitate year-end settlement of accounts between Hongkong or Macao and Canton merchants. The Strike Committee, it is understood, may concede to the free movement of persons but not of merchandise, at least not "imperialist" goods.

To further tighten the boycott, the Strike Committee is sending out 400 more pickets from Canton City to Shumchun, Chinshan, and other points adjacent to Macao and Hongkong. The reason given by some for this action on the part of the Strike Committee is to force an active issue in which neither the Hongkong nor the Canton interests, commercial or government can longer remain silent, so that some settlements must be made in the very near future.

The suspension by the Council of the Hongkong Football Association of the South China Athletic Club on January 14 for wilful failure to obey the notice of the League management committee to appear at the Hongkong Club ground to play with the Police as was scheduled for January 9 was a topic of general discussion among the younger element of the Chinese community the last few days. The South China Athletic Club was the major organization among the Chinese interested in sports in Hongkong and had been many years China's contingent in football to all Far Eastern Olympic Games held in China, Japan, or the Philippines.

To the Chinese, it appeared that the South China Club was asked at first to play a charity game which its representative agreed to play on any available ground but that, when later informed that the game would be a regular League game, the South China representative insisted that it should be played on its own field at Sookunpoo, as it was to be a home game. The Chinese siding with the South China Club could not see why it should not be accorded the preference of making a choice of ground as had usually been the case for all home teams. The South China football team did turn out but not on the Hongkong Club ground as the League secretary had directed, but at Sookunpoo.

The contention of the Council of the Hongkong Football Association, it is understood, was that the South China Club should turn out on the time and ground as advised by the League Secretary. Therefore, the action of the League to award the two points to the Police, to fine South China Club five dollars, and to suspend it until such a time as the Club would make a suitable apology for its recent conduct, should be upheld.

January 4 Macao saw the opening of a new Chinese modern bank, the "Pou Seng", with headoffice also at that city and a capital of $1,000,000. The Governor of Macao performed the opening ceremony. Mr. J. Hing Jue is the manager of the headoffice. Among the promoters are Dr. Low Yuk Lin, a former Chinese Minister to London; and Mr. Loo Hing Yuan, Attorney-General of the Kuomintang Government in Canton. Mr. Loo Lim York, a well-known Chinese merchant in Macao, is one of the principal shareholders and directors of the Bank.

Mr. James Edward Atherley, former manager of the Getz Brothers Company in Hongkong, was on Jaunary 16 found guilty by a jury in the Hongkong Supreme Court of misappropriation of funds belonging to the Company, in all the four counts in the indictment. He was sentenced to serve two years in jail with hard labor. The Attorney-General handed in a nolle prosequi on another indictment containing 41 counts.

Canton, January 17, 1926.

News from Central China

Four mixed brigades of Hupeh troops have proceeded to occupy the southern part of Honan. The reason for the move is given by Marshal Hsiao Yao-nan as due to the activities of bandits along the Honan-Hupeh border. But the political motive of the invasion of Honan at this time is to replace the Kuominchun in Honan and reinstate Marshal Wu Pei-fu and his followers in Honan by ousting Yueh Wei-chun. Through the visit of General Chang Ching-hwei to this center representing Chang Tso-lin, an agreement is alleged to have been concluded whereby Chang Tso-lin and Wu Pei-fu will cooperate to overthrow the influeuce of Kuominchun troops in north China and then form a government without any Kuominchun element in it. The invasion of Honan is regarded as an initial step toward this end. The withdrawal of Honan troops under General Chin Yun-ao, who are loyal to Wu Pei-fu, from their attack of Shantung also lends color to the Chang-Wu alliance. Shantung is no longer threatened by Honan troops, and Chang Chung-chang and Li Ching-lin are left at liberty to concentrate their attention in attacking the Kuominchun in Chihli.

The Hunan Famine Relief Committee is reported to have made a direct appeal to the American Red Cross at Washington for relief funds for Hunan Province. Ex-Premier Hsiung Hsi-ling, who is resident in Tientsin, is the Chairman of the Hunan Committee. The plea is made that the Hunan people are suffering from drought famine, and due to failure of crops, the prices of foodstuffs have increased enormously resulting in wide-spread privation.

Radical Kuomintang members and students, also radically inclined, have issued a proclamation announcing the organization of a Society for the propagation of Dr. Sun Yat-senism. They state that the objects of the organization are to help the people of the country to understand the principles of Dr. Sun and to convince anti-Sun Yat-sen parties that Dr. Sun's principles are for the salvation of the Chinese people.

The Han Yeh Ping Iron and Coal Company in Shanghai have protested, through the Chinese Chamber of Commerce in Shanghai, against the arbitrary seizure of the Company's movable property at their Tayeh Mines by the Hupeh government, who are confiscating the property to pay a provincial iron ore tax. The Shanghai Chamber has sent a letter to Tupan Hsiao Yao-nan stating that the Company does not feel that under the present conditions of depression they can pay the tax imposed, and only request that it be reduced. It is also said that the business of the Company has been so bad that they even cannot pay their staffs at the various mines and works.

Ceang Chien, Jr., son of Chang Chien of Nantungchow, is at present paying a visit to Wu Pei-fu and Chi Hsieh-yuan at Hankow representing political interests in Kiangsu Province. Mr. Chang was entertained by Marshal Wu and Chien many occasions. A dinner in his honor was also given by Mr. Chen Chieh, Commissioner of Foreign Affairs in Hankow, and Mr. C. M. Cho, manages of the Bank of China and South Sea.

The son of a wealthy merchant in Hankow who is manager of the Teh Kee Dispensary has been released after an imprisonment of over two months in the jail of the Military Constabulary Bureau of Hankow. The family of the prisoner, Mr. Chwang Han-chang, is charged as dealing in morphia, and Mr. Chwang was kidnapped out of his motor car by a few soldiers, and was marched off at the point of pistols to a military prison ouside Hankow. There he was held up and tortured by the troops who demanded money, but he was never tried on the charge of morphia dealing. He was released after paying the sum of $50,000.

The provincial authorities of Hupeh have decided to issue provincial bonds to the amount of $8,000,000 with the salt tax in Hupeh as security. This plan is decided upon in view of the failure of the Finance Bureau to raise money by the increase of salt tax which is bitterly opposed by the merchants.

An order has been issued by Tupan Hsiao Yao-nan authorizing the closing of all opium dens and sales offices in the city of Wuchang. The order will soon be extended to Hankow, as the Tupan is determined to "suppress opium" in this center, "in view of the forthcoming investigation by the Extrality Commission." Inquiry elicits the fact that no such a thing as opium suppression is meant, but the order was issued to threaten the opium dealers to pay the increased rates of squeezes. The monthly fees on opium houses have been increased from $20 and $60 to $60 and $180, which the opium dealers are protesting. The opium suppress edict was made to enforce the new collection. The number of opium dens and dealers in this center have increased at an appalling speed, and the spread of the evil also makes corresponding strides.

The Chinese press reports that the wireless station at Yunnanfu, built by French interests, has now established connection with the stations at Wuchang and Tsinanfu. After several tests with the various stations in China, the Yúnnanfu station is now in a position to communicate with Shanghai through Wuchang and points in North China through Tsinanfu.

Hankow, January 22, 1926.

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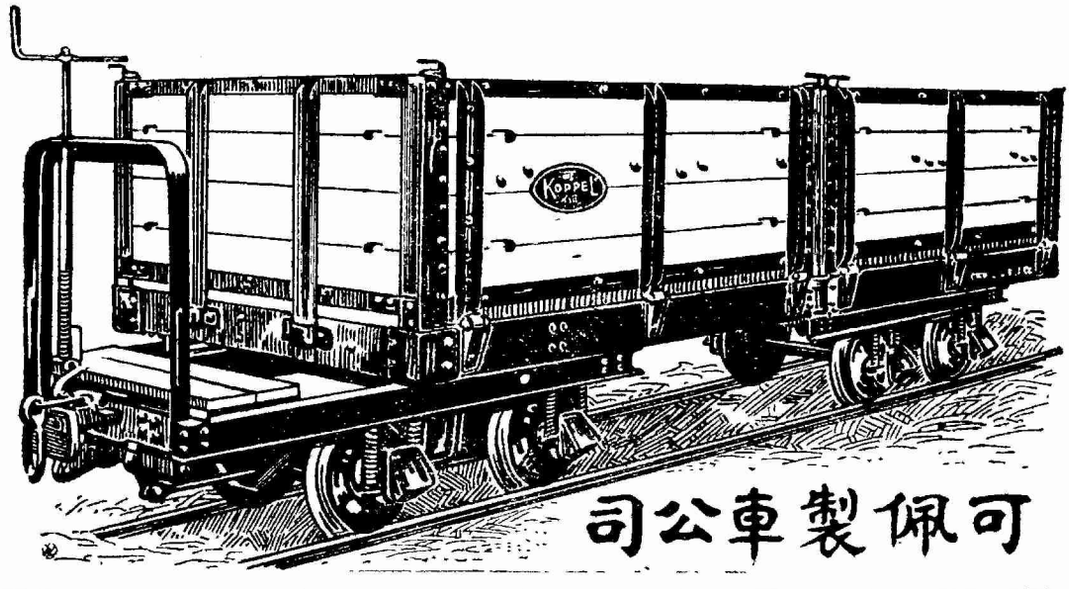

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International Labour Office
Geneva, Switzerland

Men and Events

Miss F. C. Hays, librarian at St. John's University, is returning to America today, January 30.

It is stated that inter-telephonic communication between the Settlement and Chinese territory will be established on Febuary 1.

Mr. Paul M. Linebarger, the well-known American lawyer and author of an interesting book on the late Dr. Sun Yat-sen, is back in Shanghai after a long absence in the United States.

One of the most popular devices installed in the new store of the Sun Sun Co. is the Perfume Ball which drips its scented spray down upon the first step of the stairway of the ground floor—or rather would drip, if there were not a crowd of Chinese gathered about, eager to catch every fragrant drop on their handkerchiefs or coat sleeves.

Word has been received that George M. Standelman, president of the Goodyear Tire & Rubber Co., Inc., of Akron, Ohio, U.S.A., died on Friday, January 22. Mr. Stadelman had been associated with the Goodyear Company over 20 years, starting as a salesman and working his way to the position of president of the company. His foresight was in a large measure responsible for the present standing of the company.

Funeral services were held Tuesday, January 26, at Bubbling Well Cemetery for John Hendle, 28 years old, former Shanghai and Far East newspaper man, who died Monday morning at the Isolation Hospital from small pox. The Very Rev. Dean Symons officiated at the services which were attended by representatives of the Press in Shanghai, and members of the American Football Association, of which the deceased was a member.

News has been received in Shanghai of an attack upon Rev. Henry A. Poppen, American missionary of the Reformed Church in America, by bandits while enroute with his family from Amoy to his station, Lungyenchow, in the interior of South Fukien. The bandits severely wounded one of Mr. Poppen's servants and took all of the baggage, including clothes, money and some personal jewelry. Mr. Poppen and his family have just returned from a furlough to America.

The advisability of whether or nor the American Chamber of Commerce (Shanghai) should endorse the World Court will be discussed at the a general meeting of the membership of the organization Friday, January 29, in the chamber's office, Robert Dollar Building, Shanghai. The meeting was called primarily by the Board of Directors to consider the proposed revised by-laws, which include changes in dues and the number of members on the Board of Directors.

Mr. John Barton Payne, chairman of the American Red Cross, is to visit Japan next October, when the fiftieth anniversary of the founding of the Japanese Red Cross organization will be celebrated, according to an announcement made recently by Baron Hiruyama, the president of the Japanese Red Cross. Mr. Payne is one of the leading men in public life in the United States and was a member of President Wilson's Cabinet. He also directed the Government railway administration during the World war and later was chairman of the United States' Shipping Board.

The following officers and Committee were elected at the annual meeting of the District Committee of the Army and Navy Y. M. C. A. held on January 20: Chairman, Dr. J. B. Fearn; Vice-Chairman, Mr. H. Black; Treasurer. Mr. C. M. Myers; Recording Secretary, Mr. W. W. Lockwood; Secretary, Foreign Department, Mr. R. S. Hall and the following members to serve on the Committee: V. G. Lyman, J. B. Powell, Major Arthur Bassett, Col. G. G. Stroebe. Rev. S. H. Littell, Dr. F. E. Dilley, Dr. C. A. Siler and Dr. Geo. D. Wilder. Reports were received from the various outport branches and from the various Committees regarding the work of the organization.

Although the Washington Birthday Ball, to be held under the auspices of the American Companies, S. V. C., is almost a month in the future it was reported last Saturday that practically one fourth of the tickets available had been applied for. The number attending the function is to be limited to 800, according to the original decision of the Committee. According to the report of the American Association on Friday, the framing of the portrait of Washington, the unveiling of which is to be one of the features of the Washington Ball, will be completed by February 15. The picture will be placed in the ball room of the Majestic Hotel and will be officially presented to the American community with suitable oratory.

New Book and Publications

For Travelers in China

Handbook of China, by Carl Crow. Fourth edition, revised throughout. Dodd, Mead and Company, New York: 1925. Price, Mex. $5.00

We venture the comment that few handbooks have been compiled that carry such comprehensive knowledge, presented in such an interesting and readable style to both tourist and resident alike, as Mr. Carl Crow's guidebook of China. The book is in reality more than the name suggests as one finds oneself engrossed in gaining information on all phases of subjects pertaining to China.

This is the fourth edition, revised and is clarified by an accompanying ten maps and plans drawn especially to illustrate the material contained therein regarding the various ports and places of interest to be seen in China.

Mr. Crow ably gives general information for the China tourist, both for those who desire to adhere to the beaten path, as well as those who are inclined to extend their journey further inland over the more tedious routes. The knowledge which he includes will have an appeal for the old China resident as well. "It is will worth knowing, that a traveler who would encircle China would need to journey a distance considerably greater than half the circumference of the world."

The newcomer in China, a tourist or those about to take up residence can find valuable suggestions relative to clothing, shopping, the servant problem, facts concerning climate, and transportation, the latter which takes one into the most modern Western coaches on a train, to the oldest type of sedan chair, a commingling of East and West. It is also wise, says Mr. Crow, for the newcomer to acquaint himself with China through some of the books, whose subjects cover every particular field. To make a careful selection is a difficult task, says the author, not because of the scarcity of numbers, but because of the very large number. A list is included taken from an authentic source. It is also of interest to learn of the various festivals and holidays observed by the Chinese.

Not the least important in the book is the historica sketch which is necessary for every tourist and resident as it traces Chinese history from the period of 1200 B. C. up to the year 1912, when an Imperial Edict announced the abdication of the Infant Emperor and appointed Yuan Shi-kai to carry out the information of the Republican form of government. Further on in the book this latter form of government is dealt with more extensively. A chapter is also given to the five religions of China, Taoism, Confucianism, Buddhism, Mohammedism and Christianity. Each is given a special discussion, giving its history and showing the particular influence it has lent to the Chinese.

The author points out that Mr. Arthur de Sowerby's section on the flora and fauna of China is a distinct addition to the book and a perusal of this is verification. Other information given includes that on China's art and industries, the former needs no introduction to most foreigners. Following this the book is devoted to detailed and authentic information concerning places of interest for the sight-seer. In this he includes modes of travel, hotels and rates. Hongkong is included.

Mr. Crow has dedicated this book to his daughter, Miss Elizabeth (Betty) Crow.

M. C. P.

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L'ile Percee. By J. M. Clarke.	6.25
The Journal of Sir Simonds D'Ewes. By W. Notestein.	16.25
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The Week in the Far East

The Chinese Eastern Railway Situation

From what at first appeared to be a serious tilt between Soviet Russia and China over a dispute regarding transportation of troops along the Chinese Eastern Railway has been apparently averted this week, when, on Monday, January 25, Comrade Ivanoff was released from custody after being arrested by the Chinese officials for several days. At the same time the question was transfered for negotiation by the authorities in Peking and Mukden. The southern section of the Railway, upon which traffic has been suspended by the Russians, recommenced traffic at the same time.

By way of review it may be said that the Chinese Eastern Railway runs from Vladivostok across Manchuria to Manchouli and is controled by a Board of Directors consisting of five Soviet officials and five Manchurian officials, although the Russian dominance in the management of the line is common knowledge. This arrangement was made in 1924 between Marshal Chang Tso-lin, the Manchurian war lord, and the Russians. When, about two weeks ago, the authorities at Yaomen appealed for protection against a band of mounted bandits, the Russian management at Kuanchengtze refused to allow about sixty Chinese railway guards to proceed to Yaomen unless their passage was paid in advance. The Chinese countered by refusing to allow the train to leave without them and occupied other trains on the line. The Russian management replied by declaring a general suspension of traffic, and there the matter stood with a situation developing into a struggle for de facto control of the railway.

Chang Tso-lin Blames Ivanoff

The situation was further aggravated when the Chinese surrounded the Soviet Consulate in Harbin and arrested Comrade Ivanoff, the Soviet manager of the railway. This action brought forth a strong protest from Moscow demanding his release within three days and reserving the right of further action. Mr. Karahkan, the U.S.S.R. Ambassador to Peking, denounced the arrest of Comrade Ivanoff as an "unheard of violation of the Sino-Russian Agreement." Marshal Chang Tso-lin, in response to the demand of Mr. Karahkan issued a telegram stating that the responsibility was entirely Ivanoff's and that the railway guards were transported for the purpose of subjugating bandits and should therefore receive free passage. This reply from Chang would undoubtedly have precipitated matters as the Russian three-day ultimatum did not mince words as to the future action of the Soviet in case the demands were not acceded to.

The *North China Daily News* (Shanghai) in treating the subject editorially, presents one or two broad principles surrounding the situation. The first is that the proposition over which the dispute began, the moving of railway guards along the line for its protection must pay for their passages, is indefensible. On the other hand, contends this journal, Ivanoff can hardly be blamed if he resolved that the Chinese Eastern Railway should not suffer the same fate as many of the Chinese Government railways in being compelled to transport troops free of charge——especially in view of the fact that railway guards under present conditions may be elastic. Finally, says this paper, the Bolshevik management of the Chinese Eastern Railway has been such as to offend the Chinese and excite their suspicions. The Bolsheviks set themselves at the outset of their administration to make the C.E.R. a Soviet railway pure and simple. "It was, moreover," explains the paper, "unfortunate for Ivanoff that he seems to have chosen, as an occasion for forcing an issue, the very moment when the Tupan of Heilungkiang was moving troops southward, obviously to take part in the Fengtien operations against the pro-Bolshevik Kuominchun at Shanhaikuan." The significance of the foregoing is apparent when it is realized that the Kuominchun forces are generally acknowledged to be sympathetic with Soviet Russia, while the Fengtien faction is closely allied with Japanese interests. It has been suggested in some quarters that Chang Tso-lin seized this opportunity of forcing an issue with Russia, knowing that he would be supported by Sun Chuan-fang with at least benevolent neutrality and by Wu Pei-fu, who is anti-Soviet and with a nationist feeling gradully turning against the Bolsheviks. It may be that Chang realized that it would be necessary to force an issue with the Bolsheviks sooner or later and that he saw an opportunity, in espousing a popular cause, of re-establishing his own popularity and ascendency, shaken by the revolt of the late General Kuo Sung-ling.

Japan not Meddling

Despite rumors to the contrary, the Japanese Foreign Office, in a statement issued by *Reuters* stated this week that the Japanese government does not intend to mediate in the C. E. R. affair, but will continue its policy of "watchful waiting." The Soviet news agency *Tass* has already accused Japan of "egging on" Marshal Chang, but it is quite possible that the report is pure propaganda. The situation affects the Manchurian interests of Japan vitally, however, and the ancient rivalry between Russia and Japan in Manchuria was not lessened by the part played by the Soviets in the railway affair. Japan will never stand quietly by and let Soviet Russia take possession of the Chinese Eastern Railway, and thus obtain access to an ice-free port—something that Russia will continue to strive for and something which may, sooner or later, form the basic cause for another Russo-Japanese conflict.

(Our readers will obtain a good understanding of the significance of the Chinese Eastern Railway in respect to Russia, Japan and China by reading Henry Kittredge Norton's article, "Trouble Behind the Trouble in China", in this issue of *The Review*.)

Chinese Press Comment

It is interesting to note the attitude of the Chinese press in regards to the C. E. R. situation. The comment is generally severe and the Soviet Russians are sharply taken to task. The *Eastern Times* in an editorial, says that "when a dispute breaks out with foreign Powers, it is described as anti-foreign. During the last few years all disputes with the foreign Powers have been described as anti-foreign or Bolshevistic. As a matter of fact the Chinese have simply done their duty as loyal citizens by fighting for their nation's interests. They have opposed any that have been fighting to undermine China. Now, the Chinese Eastern Railway question has arisen and all loyal Chinese are standing together to fight against Russia for China's sake. Judging from the fact that the Chinese are fighting simply for their own interests, it will be seen that China's actions are neither anti-foreign nor Bolshevistic. It is simply because of their position as Chinese citizens that they oppose foreign aggression for, if they did not fight for their own country, they would be poor citizens indeed. The Chinese are not anti-foreign, or Bolshevistic. If such were the case China would be imbued with Bolshevism and all Chinese would be described as anti-foreign. Therefore in the present C. E. R. dispute, the question will arise "Is China anti-Russian?"

Gold Franc Settlement Worries China

The Gold Franc settlement, which was effected last July is causing some uneasiness to China and what is alleged to be a scandal is now receiving a probing by the judicial authorities, who have received strict instructions from the Minister of Justice to proceed with the prosecution. According to a report published in the *Peking Daily News* the Gold Franc settlement, through itself is a political solution, is beginning to affect the general commercial aspect of the country, which will be brought to suffer tremendous losses if the provisions of the new settlement agreement are to be applied to other outstanding dealings, as demanded by the French lately. It is reported that the French Government and capitalists, who financed the Cheng-Tai railway, made a demand on the Chinese government last year, that, basing on the Gold Franc Settlement agreement, payment of interest and repayment of principal of the railway loan in future be made in gold instead of paper francs as hitherto. As the result of this the Railway returns for last year show no surplus, because the French Bank has taken independent steps to deduct interest payment according to gold basis for the last term. It is feared that this will be taken as a precedent for the settlement of all outstanding Sino-French obligations. thereby making China and her people suffer uncalculable losses. It is also pointed out that both the Italian and Belgian governments with whom similar agreements China has signed, may inevitably follow the French precedent by demanding gold payment in their outstanding dealings with China as well, unless remediable measures are adopted without delay.

Teachers Want Four Months' Back Pay

The plight of the Chinese government school teachers in not receiving any of their salaries for months past is occupying the attention of the Minister of Education. Eight representatives from the schools were received by the Minister of Education January 14, when they presented a plea for payment of back salaries. They demanded a payment of four months' salary as soon as possible and a share in the revenues of the cigarette tax, which is to be used for educational purposes. The Minister of Education agreed to submit the proposal to the Cabinet.

Hongkong Trade Ruined, Say Business Men

A distressing story of the decline of Hongkong as a British trade center is published in the January 15 issue of *The Japan Advertiser* from Hugh Byas, the London correspondent. The story states that the *London Post* has published a cable from a prominent, unnamed Britisher in

China, declaring that "Hongkong is hopelessly defeated, and that the merchants fear the colony and the city as a British trading center will be lost." The dispatch states that 1925 has lowered the British prestige to an extent unequalled in two centuries in China. Chairman Leefe of the China Association is reported as stating that this description of affairs in Hongkong is accurate. He stated that British trade and prestige in China are absolutely ruined unless these boycotts are ended. Stanley Dodwell, of Dodwell & Company, says the report, agreed that British prestige is shattered and admitted that the situation has become extremely difficult because of the fact that action against Canton would inflame the north, where the boycott is ending. The *London Post* comments that British diplomacy in China has absolutely failed. This agitation, however, is not receiving support in Government circles.

The Extrality Commission

The second meeting of the Extrality Commission was held Tuesday morning, January 26. The meeting discussed and examined the Chinese criminal code and criminal procedure. Ma Chun-Wu, Minister of Justice, in a report published in the *Peking Leader*, stated that if through railway traffic is not restored in time for the investigation trips, the parties would be routed along other lines such as to Shanghai and elsewhere by sea. Dr. Alfred Sze, Chinese Minister to the United States, is reported to have been instructed by the government to bring before the American authorities the Chinese desire to have the scope of the Extrality Commission enlarged so as to more fully meet the wishes of the Chinese people. Minister Sze is reported to have advised Secretary Kellogg of this, explaining that if America will pledge her help as she did in the Washington Conference, further success will be gained by China.

GENERAL NEWS SUMMARY

January 23—Chinese Eastern Railway affair takes serious turn as Chinese military authorities at Harbin arrest Comrade Ivanoff, Russian manager of the railway. Ambassador Karakhan demands his immediate release——The World Court is the subject of heated debate in the Senate of the U.S. government with the opposition forces holding the floor——The German Nationalist Party votes their hostility to the Locarno Treaty and the entry of Germany into the League of Nations——American Rubber Association urges planting of more rubber if world's needs are to be met——Railway employees in England begin wage parley.

January 24—Hopes of effecting a settlement of the U. S. anthracite coal strike were blasted by the refusal of the owners to consider the proposal put forward by the newspapers——The negotiations for the funding of the Greek debt to America have come to an end, the Greek delegates returning home for instructions——The opponents of America's entry into the World Court are holding the floor in the U. S. Senate in an attempt to prevent a vote being taken on the matter——The special committee appointed by the House of Representatives to investigate the alleged British rubber monopoly has completed its labors ——Numerous casualties occurred in a hotel fire in Allen Town, in the United States——Peking has sent to Marshal Chang Tso-lin asking him to release Comrade Ivanoff, though it frankly admits that it is not in a position to give him orders.

January 25—Preparations are being made for a decisive spring campaign by France and Spain in Morocco—— Tributes to the late Cardinal Mercier came from all quarters. He is to have a State funeral——Temper among the Chinese is rising against the Bolsheviks and the Chinese papers comment bitterly on their conduct——Apartment houses for Tokyo are beginning to appear as the only solution of the rent question—— The U. S. Consulate is soon to acquire an old Consular building cornerstone——

January 26—Negotiations over Chinese Eastern Railway dispute to begin in Peking. Traffic expected to be resumed soon——Railway men in Britain vote against general strike to force wage demands——Agreement is reached for Italian war debt to Britian——U.S. House of Representatives passes Navy Appropriation Bill providing $300,000,000——Mr. Wakatsuki, HomeMinister, is appointed Acting Premier of Japan until Premier Kato recovers from illness.

January 27—World Court reservations approved by United States Senate——£1,000,000 of gold bullion reached London from Russia as security for purchase of textile machinery ——Funeral services are held for late Cardinal Mercier, the third national funeral in Belgium's history—— Agreement over British-Italian war debt is completed—— New German Cabinet will uphold Locarno Treaty, says Luther——Yen 600,000 forest fire near Tokyo.

The Manchuria Monitor

An Illustrated Monthly Magazine in the Russian and English Languages

The presiding Committee of the Commercial and Industrial Section of the Manchuria Research Society recognize that the Far East is becoming more and more engaged in world economics, attracting universal attention as the center of sudden and far reaching changes. The Editors of the above find it meet, therefore, to investigate and throw light upon every phase of economic and cultural expansion attained with the territory.

The "Manchuria Monitor" has purpose in providing a just appraisement of the scope and significance of varied facts eventuating, as weighed from a national and international view-point.

Local men of note as well as prominent writers in Russia, China and Japan have been invited to contribute to the pages of the "Manchuria Monitor," who will provide the journal with original articles, notes and sketches dealing with history, mode of existence, culture, industry, finances, transportation facilities, natural resources, etc. of territory within the boundaries of the Far East and especially of Manchuria. Matters, invoiving international relations, bibliography, etc. will likewise be paid close attention.

"The Economic Bulletin"

Published Weekly as a free supplement to the "Manchuria Monitor"

Contains orders and instructions in connection with C. E. R. commercial operations, the most important information regarding the industrial and commercial life of North Manchuria and neighboring countries, current data on the Commercial business of the C. E. R. and adjacent railways, the financial bulletins of the Harbin Bourse and other important local exchanges, notes and reviews on outstanding features in Far Eastern economics, etc.

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American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Jan. 21st.	Sale Price Jan. 28th.	Approx. Yield to Maturity Jan. 28th.
Szecho-Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1952	101¼	101¼	7.90
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	92	92	8.35
Republic of Chile S. F. Loan	7	Nov. 1, 1942	100⅞	101	6.90
Argentine Government Ser. "A".....	6	Sept. 1, 1957	98	97⅞	6.15
German Government S. F. Loan.....	7	Oct. 15, 1949	102⅛	102½	6.80
Kingdom of Norway S. F. Loan.....	6	Aug. 15, 1943	101½	101⅓	5.85
Deutsche Renten Bank 1st Lien Farm Loan	7%	Sept. 15, 1950	95⅓	96¾	7.30
Can. Pac. R. R. Co. Debenture Stock	4	Perpetual	81	81¼	4.92
Belgian Government S. F. Loan.....	6	Jan. 1, 1955	87	87	7.05
Andes Copper Mining Co. Debentures.....	7	Jan. 1, 1943	98½	99¼	7.05
German General Electric Co. S. F. Loan.....	7	Jan. 15, 1945	96	96¼	7.35
Saxon Public Works Inc. 1st Mtge. Guaranteed S. F. Loan.....	7	Feb. 1, 1945	94	94¼	7.60
Cuban Northern RR. Co. 1st Mtge. Loan.....	6	July 1, 1966	95	96	6.25
Dodge Brothers Inc. Debentures	6	May 1, 1940	96¼	96½	6.35
Republic of Haiti	6	Oct. 1, 1952	97	97¼	6.20
Czecho Slovak Government Ext. S.F. Loan...	7½	Nov. 1, 1945	97⅛	97¾	7.75
Kingdon of Italy, Ext. S. F. Loan.....	7	Dec. 1, 1951	94½	94½	7.50

The National City Company International Bank Building No. 2A Kiukiang Road, Shanghai, China.

These quotations are subject to confirmation by the National City Company of New York.

Shanghai Rice Prices High Despite Official Action

Rice, the staple food of millions of Chinese around Shanghai, remains at a high price level despite the remedial measures adopted by the Kiangsu authorities. These measures include prohibition of export and keen surveillance for smugglers and hoarders.

Best quality rice was quoted at Shanghai shops this week at $12.80 to $14.20 a picul, which is an advance of about 20 cents on last week's prices and about $2 on the prices ruling a year ago. No satisfactory explanation of this increase has been given because merchants state there are abundant supplies at Wuhu, the principal rice city, and the normal supplies of rice from Saigon and other places in Indo-China are coming in, but supplies from south China and Chekiang province are not up to standard.

Wuhu, Chief Center

The organization of the rice industry which supplies Shanghai people with the staple food is interesting and intricate. Wuhu, in Anhwei province, is the most important rice distributing center in China. Every year it exports several million Haikwan piculs, the highest amount in recent years being in 1919, when 8,800,000 piculs were exported under tha notice of the Maritime Customs. Merchants from Shanghai, Canton, Chaochow, Chefoo and Ningpo maintain establishments in Wuhu to buy Anhwei rice for these cities. Rice merchants from other cities also keep purchasing agents in Wuhu, but their dealings are not so important, and therefore they have no special designation. The supply comes from many Anhwei districts, and is transported by junks along the river, a couple of thousand of which anchor in Wuhu every day during the marketing season. The largest junk can carry 500 or 600 tan (each tan is from 135 to 148 catties); the smallest, only 30 or 40.

Shanghai Exchange for Week Ending Wednesday, January 27, 1926.

By Maitland, Fearon and Brand

Exchange:—The price of Bar Silver in London has continued to decline during the past week, today's quotations of 30 7/8d. for ready and 30 13/16d for forward are respectively 1/16d. and 1/2d. below those ruling this day last week. Our official T/T rate on London fell as low as 3/od. at which rate our local Gold Dealers, with a view to taking profits, came out as sellers of Gold Yen and the official T/T rate advanced to 3/0 3/4d., this advance has received no support from the silver market and the quotation is now back to 3/0 1/2. At the close of the market, speculators are buying Yen and the market closes weak with current rates for Gold remittances barely obtainable.

Our stocks of Silver are reported as follows:—
Sycee and Bar Silver.....Tls. 53,633,000 an increase of Tls. 1,119,000.
Chinese and Mexican Dollars.....$ 66,560,000 an increase of $ 310,000.
Estimated value Tls. 101.556.000 as against Tls. 99,123,400 held at this time last year.

	Average rates for Dec.	Thurs. Jan. 21st	Friday Jan. 22	Satur. Jan. 23	Mon. Jan. 25	Tues. Jan. 26	Wednes. Jan. 27
Bk's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	3/1.250	3/0 1/2 3/0 1/4	3/0 3/0 1/2	3/0 1/2	3/0 1/2 3/0 3/8	3/0 1/2	3/0 1/2
O/Dfits, ,,	—	3/0 9/16	3/0 1/16		3/0 9/16		
4m/s ,,	—	3/0 3/4 3/0 1/2	3/0 1/4 3/0 3/8	3/0 3/4	3/0 1/2 3/1	3/0 3/4	3/0 1/4
T/T India	204.460	200 1/2 199	197 1/2 200 1/2	200 1/2	200 1/2 201 3/4	200 1/2	200 1/2
T/T France	2,096,000	1965 1950	1955 1980	1970	1970 1985	1985	1990
T/T N. Y.	75.290	74 73 1/4	73 74	74	74 74 1/2	74	74
T/T Hong	76.950	79 1/2 79 1/2	79 1/2 79 1/2	79 1/2	79 1/2 79 1/2	79 1/4	79 1/4
T/T Japan	57.410	60 3/4 61 1/4	61 1/4 61	61	60 1/4 60	60 3/4	61
T/T Batavia	185.070	182 180 3/4	179 3/4 182	182	182 183 1/2	182 1/2	182 3/4
T/T Straits	75.870	77 1/2 78	78 1/4 77 1/2	77 1/2	77 1/2 77	77 1/4	77 1/4
Bk's buying rates 4m/s B/L. Cred. D/A	3/2.421	3/1 1/2 3/1 3/8	3/1 3/8 3/1 5/8	3/1 5/8	3/1 5/8 3/1 7/8	3/1 5/8	3/1 1/2
4m/s ,, D/P	—	3/1 5/8 3/1 1/2	3/1 1/2 3/1 3/4	3/1 3/4	3/1 3/4 3/2	3/1 3/4	3/1 5/8
4m/s ,, D/A	3/2.800	3/1 7/8 3/1 3/4	3/1 3/4 3/2	3/2	3/2 3/2 1/4	3/2	3/2
4m/s B/F. C., D/A, D/P	2,092.460	2050 2040	2055 2070	2060	2060 2075	2075	2080
4m/s N. Y. Lc.	77.255	75 3/4 75 1/2	75 3/8 75 3/4	75 5/8	75 5/8 75 1/4	75 3/4	75 3/4
4m/s ,, Does	—	76 75 3/4	75 1/4 76	75 7/8	75 7/8 76 1/2	76	76

Based on Daily Official quotation, higher rate taken on rising Market, lower when falling. Bullion.	Jan. 21	Jan. 22	Jan. 23	Jan. 25	Jan. 26	Jan. 27
*London Price of Bar Silver per oz. (English Standard 925 touch) Pence.	31 1/16	30 13/16	30 7/8	30 7/8	30 15/16	30 7/8
**N. Y. Price of Bar Silver per oz. (Pure)	G.$.67 3/8	G.$.67	G.$. 67 1/8	G $ 67	G.$.67 1/4	G.$.67 1/4
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch).....	Tls. 297 70	Tls. 294 80	Tls. 294 90	Tls. 294 90	Tls. 294 50	Tls. 299 10
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	111 00	111 00	111 00	111 00	111 00	111 00
Shanghai Mexican Dollars per $100...	71.825	71.825	71.8125	71.775	71.775	71.80
Native Bank Rate of Interest (Call-money)	2%	2%	2%	2%	2%	2%
*Closing Priece in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	5%	London on Paris	T/T 130.74
Bank of France rate of discount	6%	New York on London	T/T 4 86 3/8
London open Market of Dis. 3 ms/.	4 1/16%	Bombay on London	T/T 1/6 1/32
,, 4 ,,	4 1/16%	Hongkong on ,,	T/T 2/4 3/8
,, 6 ,,	4 1/8%	Kobe ,, ,, ,,	T/T 1/9 15/16

Return of the Shanghai Customs

By: Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mille—thousands; Hk. Tls.—Haikuan Tls., Jan. Customs Rate Tls. 1.19 equal Gold $1

President Hayes, December 31.

To Providence.
Silk, Waste:
Other Ports, Bls. 240 Pls. 300
To Boston.
Silk Cocoons, Domestic, Double:
Other Ports Bls. 12 Pls. 38.43
Silk Waste:
Shanghai .... Bls. 80 ,, 244.53
Other Ports .. ,, 20 ,, 25.00
Bamboo Shoots, Salted ... ,, 24
Soy ..... ,, 32
To New York:
Silk Waste:
Other Ports.. Bls. 31 Pls. 108,95
Tea, Black, Hankow.. ,, 528
,, ,, other Ports ,, 6
Antimony, Oxide..... ,, 202
Bamboo Shoots, Salted ,, 44
Beancurd ..... ,, 10
Egg Albumen, Dried .. ,, 173
,, Yolk, Dried .... ,, 30
Hair, Human ..... ,, 333
Hides, Buffalo ..... ,, 533
Intestines, Pigs', Salted ,, 113
Lichees, Dried ..... Pls. 23
Nutgalls..... ,, 336
Soy ..... ,, 105
Sugar, Brown..... ,, 15
Turnips, Salted ..... ,, 31
Vegetables, Dried .... ,, 12
,, Salted ..... ,, 43
Canned Bamboo Shoots Doz. 300
,, Meats ..... ,, 248
Hats Rush ..... Pcs. 18,000
Skins, Goat, Untanned ,, 15,955

Taiyo Maru, December 31.

To San Francisco.
Silk Piece Goods ..... Pls. 1.94
Brassware ..... ,, 18
Intestines, Pigs', Salted .. ,, 12
To Los Angeles.
Silk Piece Goods ..... Pls. 0.29
To Houston:
Hair, Human ..... Pls. 84
To New Bedford.
Silk, Waste:
Shanghai.... Bls. 8 Pls. 24.82
To Boston.
Silk Waste:
Other Ports.. Bls 163 Pls. 526,07
To New York:
Silk, Raw, Steam Filature:
White, Shanghai Bls. 77 Pls. 77.14
,, other Ports ,, 730 ,, 585.96
Yellow, ,, ,, 30 29.80
Silk, Raw, Filature:
Wild, other Ports Bls. 80 81.39
Silk, White:
Other Ports.. Bls. 29 ,, 88.02
Silk Piece Goods ..... ,, 2.94
Cotton Rags..... ,, 810
Feathers, ... ,, 181
Hair, Cow ..... ,, 195
Rhubard ..... ,, 50
Wool, Sheep's ..... ,, 3,029
Hats, Fibre ..... Pcs. 600
,, Hemp ..... ,, 785
,, Rush ..... ,, 9,000

Ambcise December 31.

To New York:
Silk, Raw, Filature:
Wild, other Ports Bls. 120 Pls. 122.44

London Maru, December 30.

To Seattle:
Tea, Black, Congou other Ports ..... Pls. 48
To Chicago:
Underwear Paper .... Pcs. 500
Hair Nets ..... Hk. Tls. 977
To New York.
Silk, Raw, Re-reeled:
White, Shanghai, Bls. 5 ..... Pls. 4.94
Silk, Raw, Steam Filature:
White, Shanghai Bls 315..... ,, 314.03
White, other Ports, Bls. 150..... Pls. 121.99
Yellow other Ports Bls. 8 ..... ,, 8.16
Silk, Raw, Filature:
Wild, other Ports, Bls. 140..... ,, 142.23
Hats, Rush ..... Pcs. 1,500

City of Stockholm, Dec. 31. from U. S. A.

Cotton, Raw Bls. 1,600 Pls. 5,507
,, Yarn Grey, Counts over 45 .... ,, 16
Iron Bar Ends ..... ,, 308
,, Wire Rods, Defective ,, 3,153
,, Nails, Cut ..... ,, 300
,, Pipes ..... ,, 708
Iron, Galvaized:
Wire Shorts ..... ,, 840
Tinned Plates, Plain... ,, 921
Grease, Lubricating, Mineral ..... ,, 14
Paper, Printing ..... ,, 14
Oil, Unclassed ..... Galls. 7

President Hayes, December 31. (*See Daily Returns, No. 7, Jan. 11.*) from U. S. A.

Drills, Dyed, 43 yd... Pcs. 19
Leather, Artificial.... ,, 24
Bath Tubs, Enamelled. ,, 36
Bicycles ..... ,, 4
Clocks ..... ,, 96
Lanterns..... ,, 10,200
Machines, Knitting... ,, 4
Motor-cars ..... ,, 29
Oilcloth ..... ,, 1,120
Scales..... ,, 259
Typewriters..... ,, 4
Cotton Goods, Unclassed Yds. 560
,, Suitings, Yarn-dyed ,, 1,200
Waterproof Cloth ..... ,, 3,747
Cotton Yarn, Mercerised Pls. 37
Aluminium Sheets.... ,, 10
Iron Bolts, Nuts, and Washers ..... ,, 22
Iron Sheets ..... ,, 19
Iron Tubes ..... ,, 129
Iron, Galvanized:
Sheets, Plain ..... ,, 267
Tubes..... ,, 546
Wire Shorts ..... ,, 352
Tinned Plates, Plain .. ,, 337
Canned Asparagus .... ,, 77
Peans..... ,, 11
Cheese ..... ,, 3
Cocoa ..... ,, 11
Cream, Evaporated.... ,, 10
Canned Fruits..... ,, 51
Fruits, Dried..... ,, 14
Glue ..... ,, 23
Indigo Paste, Artificial, 20 per cent..... ,, 1,409
50 ,, ... ,, 8
Ink, Printing..... ,, 2
Leather, Calf..... ,, 1
Leather, Patent ..... ,, 12
,, Sole..... ,, 367
Newspapers, Old..... ,, 283
Oakum ..... ,, 11
Oranges, Fresh ..... ,, 15
Packing Inder-rubber.. ,, 5
Paints, Unclassed..... ,, 124
Paper, Blotting ..... ,, 27
,, Cardboard..... ,, 6
,, Waxed ..... ,, 80
,, Writing ..... ,, 247
,, Unclassed ..... ,, 1,690
Prunes, Dried..... ,, 21
Raisins Dried..... ,, 619
Shrimps, Dried ..... ,, 127
Soap Powder ..... ,, 23
Sugar of Milk..... ,, 300
Tobacco, Leaf..... ,, 3,630
,, Prepared ... ,, 2
Twine..... ,, 16
Chocolate ..... Lb. 1,412
Canned Fruits ..... Doz. 135
,, Salmons ..... ,, 40
,, Vegetable .... ,, 362
,, Goods Unclassed ,, 622
Coffee, in Tins ..... ,, 60
Files Steel..... ,, 5,263
Milk, Malted..... ,, 155
Underwears ..... ,, 48
Shoes, Rubber ..... Pairs 567
Oil, Lubricating, Mineral ..... Galls. 7,281
Paints, Unclassed..... ,, 600
Rum, for Cigarette Making ..... ,, 10,783
Varnish ..... ,, 580
Cigarettes ..... Mille. 55,750
Dyes, Aniline, Pkgs. 479 ..... Hk. Tls. 18,168
Machinery..... ,, 78,251
Treasure:
Silver Bars ..... ,, 516,779

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—As outlined in our last issue, our market, since that time, moved with but very slight modulations in a steady direction and toward the close a general firmness is being experienced, evolving an advancing tendency in prices on all grades. This strength may be said to have been engendered not so much by any pressing demand on the part of domestic spinners as by reason of the following potent factors and namely; considerable purchases effected by Japanese firms for export to Tsingtao and Northern Ports, light receipts from the interior, and the steadily continuing appreciation in Mid-Americans and Indians coupled with the gradually weakening tendency in exchange rates. And as such factors preclude at the moment a large influx of the foreign fibre, the domestic staple assumes a more prominent position and may be considered more attractive for domestic consumption and should be availed of at all times for immediate and future requirements, as in the long run, viewing the situation circumspectively, such outlays will eventually prove remunerative.

Yarn:—We have no change to report in the position of the local yarn market, in that prices ruling are nearly the same as last week. New business for export has been booked some 6000 to 7000 bales in all counts at ruling prices. Regarding the future course of the market, a conservative policy appears to be desirable for the immediate future, and the situation continues to hinge on the action of the local professional operators, and in our opinion, we believe that purchases on breaks are likely to lead to profitable results.

Liverpool:—
American-Middling 10.83
,, -Middling last reported....10.80
Tone of market, *Steady.*

Indian Market:—
Fully Good Bengal, Jan 287
Fine Oomra, Jan.....351
Fully Good Broach, Apr./May..358
Tone of the market:—*Steady.*

New York Market:—
Price of Mid-American. 20.90 Spot.
20.17 Mar.
19.62 May.
19.00 July.
18.21 Oct.
18.00 Dec.
Tone of the market:—*Steady.*

Shanghai Market:—
Tungchow, spot ex wharf ..... Tls. 34.00
Shanghai, Spot..... ,, 33.00
M. Ginned, Spot ..... ,, 34.00
Shensi, No. 1 Spot ..... ,, 33.00
Ningpo, Spot..... ,, 30.50
Tone of the market:—*Steady.*

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Alexander Shoe.	"Chung Hwa Studio"
Gande, Price Ltd.	Agfa Products.

WHEN WRITING TO THESE ADVERTISERS KINDLY MENTION THE CHINA WEEKLY REVIEW

In the United States Court for China

JOHN D. MOORE, Plaintiff. | Cause No. 2720

vs. | Civil No. 1080

MEMORY MOORE, Defendant. | SUMMONS

The President of the United States of America

To the United States Marshal for China and his Deputies—

GREETING:

You are hereby commanded to serve this Summons and a copy of the Complaint in the above entitled action upon the defendant—

MEMORY MOORE,

and to notify her to be and appear before this Court on or before the sixtieth day after service hereof to file her written answer on oath.

(SEAL) WITNESS the HONORABLE MILTON D. PURDY, Judge of the United States Court for China, at Shanghai, China, Jan. 6, 1926.

W. A. Chapman
Clerk.

Excerpt from Regulations, Section 8: On proof of due notice, judgment by default shall be procured against any defendant failing to appear and file his written answer as required.

In the United States Court for China

WILLIAM JOHNSFORD, Plaintiff. | Cause No. 2703

vs | Civil No. 1067

DAVID J. STEINBERG and MIRIAN T. STEINBERG. Defendant. | SUMMONS

The President of the United States of America

To the United States Marshal for China and his Deputies—

GREETING:

You are hereby commanded to serve this Summons and a copy of the second amended petition in the above entitled action upon the defendant

Mirian T. Steinberg,

and to notify her to be and appear before this Court on or before the sixtieth day after service hereof to file her written answer on oath.

(SEAL) WITNESS the HONORABLE MILTON D. PURDY, Judge of the United States Court for China, at Shanghai, China, Jan. 12, 1926.

W. A. CHAPMAN
Clerk.

Excerpt from Regulations, Section 8: On proof of due notice, judgment by default shall be procured against any defendant failing to appear and file his written answer as required.